

## INTERNATIONAL

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**Angola Says Pretoria Forces Capture Key Border Capital**

From Agency Dispatches

**LUANDA**, Angola — Angola said Sunday that the capital of its southern border province of Cunene had fallen to invading South African forces and that fierce fighting was raging along the road to Lubango, one of the country's main cities.

A Ministry of Defense communiqué said the South African Army had occupied the town of Ngivira, 30 kilometers (20 miles) inside Angola, on Friday evening after a battle in which three of Pretoria's planes were shot down.

A South African Defense Force spokesman in Pretoria said Sunday the reports were "just another example of the mass propaganda that is being fed the world."

The spokesman, who declined to

be identified, said the chief of the Defense Force, Gen. Constand Viljoen, had made it clear Friday that the South African security forces were withdrawing. Gen. Viljoen had said the troops entered Angola last Monday to wipe out black nationalist guerrillas seeking an independent South-West Africa (Namibia).

South Africa said Saturday that it had destroyed Angolan radar installations and killed at least 240 Angolan government troops in its assaults last week in southern Angola.

Anti-aircraft installations protecting the radar units were also knocked out, according to South African officers in the area. They declined to tell foreign journalists who were taken Friday into south-

The ministry said the South African Air Force was bombing the town of Tchibemba, between Cahama and Lubango, and that Angolan defenders had shot down two South African bombers there on Friday.

Angola's only newspaper, the official *Jornal de Angola*, said Sunday in a report from Lubango that Xangongo — about 96 kilometers north of the border that separates Angola from Namibia — had been destroyed following carpet bombing by 32 South African Mirages and nine Buccaneers.

**Heavy Bombardment**

Four foreign journalists flown Friday by the South African Defense Ministry to Xangongo said the old Portuguese colonial structures in the center of the town appeared relatively unscathed. The local Angolan military headquarters on the town's outskirts had been destroyed by heavy air bombardment, the journalists said.

They said the intact buildings included a stucco building that the South Africans said had been used by Soviet military advisers and a dilapidated structure next door that was identified as the local headquarters of the South-West Africa People's Organization.

Xangongo was still occupied by several hundred South African troops when the journalists visited it Friday, at about the same time that Gen. Viljoen was announcing in Cape Town that South African forces were withdrawing into Namibia.

The journalists were told that the units they saw were the largest that had taken part in a four-pronged assault across the border that started last Monday.

Members of the guerrilla organization, based in southern Angola, have staged raids in neighboring South-West Africa (Namibia), a territory that Pretoria refuses to yield despite repeated demands from the United Nations. The activities of the South-West Africa People's Organization are cited by South Africa as justification for its assaults in Angola, and Mr. Lichenstein all but echoed this position.

In addition, he said, "substantial supplies of foreign arms have been shipped into Angola to supply and resupply elements of the South-West Africa People's Organization that have engaged in violence across the Angolan border."

Members of the guerrilla organization, based in southern Angola, have staged raids in neighboring South-West Africa (Namibia), a territory that Pretoria refuses to yield despite repeated demands from the United Nations. The activities of the South-West Africa People's Organization are cited by South Africa as justification for its assaults in Angola, and Mr. Lichenstein all but echoed this position.

The U.S. view is diametrically opposed to that of nearly every other UN member, all of which regard South Africa as an illegal occupying power in Namibia. In the council, all other countries from

the latest episode must be un-

(Continued on Page 2, Col. 4)

*United Press International*

South African soldiers taking a rest in Xangongo, Angola.

**U.S. Isolation Grows In UN Over S. Africa**

By Bernard D. Nossiter

*New York Times Service*

**UNITED NATIONS, N.Y.** — The United States appears to be increasingly isolated at the United Nations Security Council, which seeks a formula to condemn South Africa's incursion into Angola.

The council's six Third World members, with Angola, worked on a draft resolution Saturday demanding an immediate withdrawal of South African troops as well as denouncing South Africa's action.

The former council meeting was adjourned Saturday until Monday.

But the dominant topic of conversation among diplomats was the growing isolation of Washington in a world community that has almost universally condemned South Africa's assault.

**American Position**

The American position was undermined forcefully in a speech Friday night by the acting U.S. delegate, Charles M. Lichenstein, who delivered what amounted to a defense of the Pretoria government's action. The United States, he said, "deplores violence from any quarter," but he was careful not to mention South Africa.

The latest episode must be un-

(Continued on Page 2, Col. 4)

**Warsaw Offers to Give Solidarity 2 Prime-Time TV Slots This Week**

By John Damton

*New York Times Service*

**WARSAW** — The government offered the Solidarity union two half-hour programs on prime-time television this week, as talks began over the union's demand for access to the state-controlled press and broadcasting.

A spokesman for the government, Jerzy Urban, said after the meeting Saturday that production of the programs would be "under the same control system as always," presumably meaning that the state would not surrender editorial control.

A joint statement after almost nine hours of talks said that one program, to be broadcast Tuesday, would include statements from both Wales and other union leaders. The other, on Friday, would be a news conference with Solidarity officials.

The talks on media access were scheduled to resume Monday, when they will apparently move to more sensitive areas in the union's campaign for broadcasting time and better coverage in the state-controlled press. Saturday's meeting was the first since negotiations dissolved in acrimony Aug. 7.

**Bread Price Rise**

In a separate development, Poles faced the prospect of greatly increased bread prices on Monday, the first anniversary of the free trade union charter that resulted in Solidarity's creation, Reuters reported from Warsaw. Bread and cereal prices will be as much as three times higher.

Previous attempts to raise food prices led to revolt, most recently the 1980 national strike movement that culminated in the creation of Solidarity at the Lenin Shipyard in Gdańsk last Aug. 31.

The union began the anniversary celebrations Sunday with a mass rally in Gdańsk at the Westerplatte Peninsula for the rededication of a cross in memory of Polish soldiers killed at the outbreak of World War II, Reuters reported.

The cross was removed by the Communists in 1963 and replaced by a Soviet tank, and one of the demands of strikers in Gdańsk last summer was for its return.

Mr. Waleski attended the rally but had a throat ailment and did not turn up for a ceremony Sunday at the Lenin Shipyard. Only about 30 of the original 700-member strike committee went to the meeting hall of the shipyard for the anniversary. Those who turned up numbered complaints about discrimination and the ceremony was canceled.

Solidarity is insisting on what it calls thorough and fair news coverage of its first congress, which opens Saturday in Gdańsk. It wants either complete live television transmission or some sort of comprehensive daily television program over which it would have editorial control.

Unless the demand is met, union spokesman have said, television reporters from the state network may be banned from the congress. Solidarity has also threatened to stage a six-day printers' strike, to black out radio and television and to interrupt regular broadcasting with disclosures of programs that have been cut for political reasons.

**Uncompromising Stance**

The government has adopted an uncompromising stance. A statement Friday night from Mr. Urban, the new official spokesman, warned that radio and television are considered part of the overall telecommunications system of the



A policeman stood guard over one of the men suspected of throwing hand grenades at a synagogue in Vienna. The man was one of those injured in the attack, in which two persons died.

**Synagogue in Vienna Is Attacked; 2 Killed**

From Agency Dispatches

**VIENNA** — Two persons were killed and about 20 were wounded when two heavily armed men described as Arabs launched a gun and grenade attack on a Vienna synagogue Saturday.

One of the grenades exploded near the guarded door of the synagogue just before about 200 persons who had been attending a bar mitzvah left the building.

Both of the assailants were captured and one was shot by police in a gunbattle during the attack, which littered the street with spent shells and glass shards. Police said they also arrested a third man whose name was found on one of the attackers.

On Sunday, police said they had arrested six more young males. They were reported to have been taken into custody in a northeast Vienna apartment. The announcement was made after an earlier police report that Palestine Liberation Organization material had been found in another apartment belonging to one of the two men who staged the grenade attack.

Israeli Foreign Minister Yitzhak Shamir said Austria's sympathetic attitude toward the PLO encouraged the attack. Earlier, an Israeli spokesman blamed the PLO for the attack.

In Beirut, the PLO issued a statement condemning the attack as cowardly and criminal.

**Tehran Blast Injures President, Premier**

From Agency Dispatches

**BEIRUT** — President Mohammed Ali Rajai of Iran and Premier Mohammed Javad Bahonar were injured Sunday in an explosion at the premier's office in Tehran, Tehran Radio reported.

The two men were taken to a hospital, the state-run radio said. Executive Affairs Minister Behzad Nabavi described their injuries as "severe," but he did not elaborate.

The official Paris news agency said five persons were killed and 15 were wounded, with three of the bodies "burned beyond recognition" in the explosion and the fire that followed.

**Column of Smoke**

Hashemi Rafsanjani, speaker of the Majlis (parliament), condemned the explosion as a "hazardous" effort by American henchmen, a term used by the clergy-led regime to describe its opponents. Mr. Rafsanjani also said Mr. Rajai and Mr. Bahonar had been together in the room where the explosion took place.

"Just as our evening session was due to start ... we heard the sound of an explosion, followed by a thick column of smoke rising from the premier's office building," the Majlis speaker said on a broadcast monitored in Beirut and London. "The session began, and it was only later that we learned that the explosion had occurred in a room in which President Rajai and Premier Dr. Bahonar were gathered with several others."

Mr. Nabavi, the chief government spokesman, told Tehran Radio that some of the "14 or 15" people in the room walked out after the explosion. "But the rest suffered severe injuries and were taken to the hospital. Unfortunately, the president and the premier were among the latter group."

Mr. Nabavi gave no details, but the presence of Mr. Rajai at the

president's office suggested that a major meeting may have been in progress and that other Iranian leaders could have been in the building Sunday is a working day in Iran.

Two reported that firemen were trying to rescue "a few people who have been trapped in the elevator," but the agency quoted Health Minister Hadi Manafi as saying that all the injured were in satisfactory condition. The explosion touched off a fire, but Pars said the blaze was under control within two and half hours after the explosion.

An extraordinary session of the Iranian Cabinet was called at sunset to discuss the incident, the radio said. It said the meeting was arranged by Mr. Rafsanjani, Mr. Nabavi and the interior minister, Ayatollah Mohammad Reza Mahdavi Kani.

**Bani-Sadr Account**

A spokesman for former President Abolhassan Bani-Sadr, who is in exile in France, said in a statement that these three men had set up a special council to run the country because of the injuries to the president and premier. No official confirmation of this was available.

The statement, which quoted reliable sources as saying that Mr. Bahonar and Mr. Rajai were seriously injured, called on Iranians to resist the government and to join armed underground groups in Iran. "Victory is near," it said.

An explosion June 28 at the Tehran headquarters of the ruling Islamic Revolutionary Party killed 72 political leaders, including Ayatollah Mohammed Beheshti, considered the second most powerful figure in Iran after Ayatollah Ruhollah Khomeini, the revolutionary leader.

Tehran Radio reported Saturday that anti-government assassins

killed a clergyman and two Islamic revolutionaries in northern Iran. The clergyman was identified as Sheikh Hassan Asgari, the Friday prayer leader of Kochehian in the province of Mazandaran.

The radio also said that counter-revolutionaries attacked the house of legislator Muvalahi Savgi in Tehran but were driven off by guards, and that no casualties were reported. Gunmen firing from a car attacked the house of another parliamentarian identified only as Armenian deputy Khalasian, wounding him and five visitors, the broadcast said.

**Raids on Mujaheddin**

Tehran Radio and Pars reported raids on hideouts of the leftist Mujaheddin opposition group in almost a dozen towns, with a total of more than 160 arrests.

The radio also reported that, in "mopping up" operations against Kurdish rebels near the northwestern cities of Salmas and Urumiyeh, 20 armed attackers were killed.

It said rebels in the southern provincial capital of Shiraz threw grenades at the Moslem Students Society office at Shiraz University and set fires at three food shops in nearby Kamfir.

The government has cracked down on the Mujaheddin and other opposition groups, with thousands of arrests and hundreds of executions reported in the past two months.

The fighting has also spread beyond Iran's borders. In New Delhi, 21 persons were injured Saturday in a clash between Khomeini supporters and Mujaheddin members outside the UN information office.

A bomb exploded Saturday morning outside the Iranian Radio and Television office in Beirut, killing a junior. Police sources said they believed opponents of Ayatollah Khomeini's regime were responsible.

**European Coolness to Missiles Worries U.S.****Officials See Shift in Opinion, Say NATO May Face Serious Crisis**

By John Vinocur

*New York Times Service*

**WASHINGTON** — Administration officials are increasingly concerned that European members of NATO, in the face of growing opposition at home, may not be able to carry out the alliance's decision to start deployment of modernized U.S. medium-range nuclear weapons in late 1983.

A series of conversations with military, intelligence and foreign-policy officials showed that there has been deterioration in the last six months of the chances of success for the so-called theater nuclear force program for Western Europe.

The administration regards the program as central to maintaining the vitality and cohesiveness of NATO over the next decade.

Europeans have said that the confrontation policies of the Reagan administration, and its decision to produce neutron weapons, are major reasons for the Western European opposition to the program. But officials here believe that the problem is more one of weakened governments within the alliance and an insufficiently forceful approach by their leaders in presenting public opinion with the negative realities of the changed balance of power between NATO and the Soviet Union.

**U.S. Commitment Emphasized**

In the conversations with the officials, only one said he was fully convinced that the plan, involving the stationing of 572 Pershing-2 and Cruise missiles in West Germany, the Netherlands, Belgium,

and Britain and Italy, would be carried out without modification. Another said they will take the U.S.-controlled missiles, but West Germany, where opposition to the program has become intense, has set as a condition of its participation that the missiles also be stationed on the territory of another Continental member of NATO. Under these circumstances, the potential for a rapid unraveling of the plan appears real.

It is widely believed here that the failure of the allies to hold substantially to their decision of December 1979, would create a crisis for the alliance going far beyond the usual disputes and complaints about lack of consultations and who spends what. In comparison,

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**Haig Accuses Salvadoran Rebels of Terrorism**

By Bernard Gwertzman

*New York Times Service*

**WASHINGTON** — Secretary of State Alexander M. Haig Jr. has accused the rebels in El Salvador of engaging in "straight terrorism" against the civilian population, and has again accused Cuba and the Soviet Union of playing major roles in fomenting the civil war in El Salvador.

His harsh words about the leftist guerrillas came at a news conference Friday at the State Department, shortly before the French and Mexican governments issued a statement in which they recognized the rebels as a "representative political force" in El Salvador.

A senior State Department official said later that the joint French-Mexican letter to the UN Security Council was "unhelpful" to U.S. efforts to build support for the Salvadoran government of José Napoleón Duarte and to press the leftist forces to agree to elections under the government's auspices.

But the official said the statement was not "a complete disaster" because it fell short of some earlier Mexican efforts to establish that El Salvador was in a state of "belligerency" and that the rebels should have equal political standing with the government.

On Friday night, the State Department said the French-Mexican statement included a number of points with which the department agreed. But the department took exception to the statement's emphasis on the political recognition of the two leftist parties, which, it said, "represent only a portion of a far broader political spectrum in El Salvador."

He said the United States had a "moral obligation" to help the Salvadoran government so long as "this external assistance" continued. He again said that the administration was considering ways of confronting Cuba but that it was "premature" to reveal them. Other officials

said plans were under consideration to create a radio station to beam broadcasts to Cuba and to take measures to tighten the U.S. economic embargo against Cuba.

Officials said the Mexican-French statement

# Pressure Over Hunger Strike Puts Dublin in Delicate Position

By William Borders  
*New York Times Service*

DUBLIN — The prisoners' hunger strike in Belfast is putting mounting pressure on the fragile new coalition government in the Irish Republic.

Despite the country's pressing economic problems, the hunger strike is preoccupying Premier Garret Fitzgerald's government. A knowledgeable official in Dublin had this explanation:

"Although Fitzgerald knows that it must be Britain, not Ireland, that ultimately solves the hunger strike problem, he has to show a degree of militancy so as to satisfy the hard-line elements here. But he can't be too militant, or he'll alienate the other side, as well as the British."

Last week, in an attempt to demonstrate his concern, the premier held a comprehensive, two-day review of the Northern Ireland problem with top officials and the ambassador to London, although there was no sign before or afterward that it would lead to any meaningful initiative.

The delicacy of Mr. Fitzgerald's

position reflects the ambiguity that always charges Dublin's position on the nationalist struggle in the North: Although governments here consistently deplore the political violence, they nevertheless share with the guerrillas the goal of reuniting Ireland. Even the Irish Constitution claims sovereignty over the entire island of Ireland, including the six counties that are now British.

Any Irish politician dealing with the problem must bear in mind that a significant segment of the population here supports the Irish Republican Army and other guerrilla organizations in the North. And at times of crisis, such as now, the subtleties become perplexing, like the decision to fly the flag at half-staff over the Parliament Building here when Kevin Doherty died on the hunger strike early in August. Although he was serving a 22-year sentence for crimes in the North, Mr. Doherty was a member of the Irish Parliament.

In Cork, the republic's second largest city, politicians have been wrangling for some time over an anti-British demonstration on a main square. Supporters of the

hunger strike have taken over the square in a round-the-clock demonstration. They have put up black flags of mourning for the dead prisoners and a huge picture of Prime Minister Margaret Thatcher, grotesquely caricatured, with the slogan, "Wanted for Murder."

There are people in Cork, including businessmen dependent in the summer on British tourists, who want the demonstration stopped, but as one of them put it, "No one's of a mind to cross the IRA supporters at the moment."

## Rapprochement Is Seen

On the other hand, Mr. Fitzgerald is wary of jeopardizing what had seemed a genuine rapprochement between London and Dublin early this year, before the hunger strike began. Thus, while accusing Mrs. Thatcher of "inflexibility" on the prison protest, he has taken a considerably more gentle line than Deputy Premier Michael O'Leary, the head of the rival Labor Party, who called her approach "obdurate, intransigent and uncaring."

Mr. Fitzgerald came under particular pressure last week from Owen Carron, 28, the militant who was elected recently to the British Parliament after a campaign in which he had made the prison hunger strike the principal issue.

"I expect Dr. Fitzgerald to call

publicly on the British government to grant the five demands" of the protesting prisoners, Mr. Carron said. "I expect him to expel the British ambassador and to recall the Irish ambassador from London and also to withdraw British troops from maintaining Britain's border in Ireland."

In the present mood of Irish politics, those were difficult points for the premier to answer, and he made no public response at all. But he did refuse to meet with Mr. Carron, again without explanation. Mrs. Thatcher also refused to meet with him, although she did set up a meeting for him with Michael Allison, deputy to Humphrey Atkins, the Northern Ireland secretary.

Speaking at a Protestant rally in Belfast, Jim Moloney of the Official Unionists condemned violence by gunmen from both Protestant and Catholic groups.

His party supports the continued union of the troubled province with mainland Britain, in contrast to the Republican cause and called on it to condemn the Maze Prison hunger protest.

Meanwhile, the leader of Northern Ireland's largest political party accused the Roman Catholic Church Saturday of moving closer to the Republican cause and called

on it to condemn the Maze Prison

hunger protest.

In an interview in The Irish Times, the newest member of the British Parliament said that "legitimate armed action against the British forces" was a necessary part of the nationalist struggle in Northern Ireland.

Recalling that Mr. Fitzgerald's mother and father both participated in the Dublin Post Office uprising in 1916, which led to Irish independence a few years later, Mr. Carron said:

"Fitzgerald's father was a gunman, and nobody inquires into the legitimacy of that. So if a thing is legitimate in 1920, I don't see what makes it illegitimate in 1981. If you look throughout world history, freedom was achieved in every country in the world through some sort of resistance to an oppressor, and in most countries through armed resistance."

They are particularly concerned that the collapse of the NATO



The French minister of external relations, Claude Cheysson, left, and the PLG leader, Yasser Arafat, right, as they met for talks at the home of Lebanese Premier Shafiq al-Wazzan in Beirut.

## Irish Faster Seriously Ill; Unionist Assails Catholics

*From Agency Dispatches*

BELFAST — Lawrence McKeown, 24, an Irish Republican Army member in his 62d day without food, was "dangerously ill" Sunday, his supporters said. He is serving a five-year sentence in the Maze Prison near here for bombing and attempted murder.

## Philippines Bars U.S. Clergyman

*United Press International*

MANILA — Immigration authorities on Sunday refused to let an American Roman Catholic priest enter the Philippines because he allegedly urged the overthrow of President Ferdinand E. Marcos.

Rev. Ralph Kroes, of the New York-based Maryknoll Fathers, was sent back to the United States when he arrived in Manila, said Immigration Commissioner Edmundo Reyes. Mr. Kroes had been on leave and was returning to his post in the southern Philippines which he has occupied since 1969.

Mr. Reyes alleged that Mr. Kroes had "condemned teach-ins with the NPA [New People's Army] and advocated the overthrow of the Marcos administration." The NPA is the military arm of the underground Communist Party of the Philippines.

Only three hunger strikers have

lasted longer: Bobby Sands, who died in the 66th day of his fast, Kevin Lynch, who survived 71 days, and Kieran Doherty, who lasted 73.

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hunger protest.

Speaking at a Protestant rally in Belfast, Jim Moloney of the Official Unionists condemned violence by gunmen from both Protestant and Catholic groups.

His party supports the continued union of the troubled province with mainland Britain, in contrast to the Republican aim of integration with the Irish Republic.

Mr. Moloney said the hunger strike, in which 10 members of the outlawed Irish Republican Army and Irish National Liberation Army have died, was causing "mounting bitterness which could destroy Northern Ireland."

He said the Catholic Church "shares a responsibility to say, 'Enough is enough'" and call an end to the hunger protest, which Bobby Sands began March 1.

But instead, he said, the church had "come closer" to the Republican cause.

Six Republican prisoners are continuing the hunger strike in a quest for better prison conditions and political status.

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recalled that Mr. Fitzgerald's mother was a gun-man, and nobody inquires into the legitimacy of that. So if a thing is legitimate in 1920, I don't see what makes it illegitimate in 1981. If you look throughout world history, freedom was achieved in every country in the world through some sort of resistance to an oppressor, and in most countries through armed resistance."

The evaluation is shared by many of the Europeans who support the missile deployment. They believe it is a necessary measure to counter Soviet SS-20 missiles targeted on Western Europe and their potential use for political pressure.

They are particularly concerned that the collapse of the NATO

plan would result in a wave of "fortress America" isolationism.

The kind of worries about the missile program that are growing within the State Department were indicated in a statement made two months ago by Lawrence S. Eagleburger, assistant secretary of state for European affairs, who said that if the alliance retreats from the plan, "substantial and lasting damage could result."

"We would lose our credibility with the Soviets, while demonstrating that they have a veto over NATO deployment decisions," he said. "We would raise a doubt in the mind of many Americans who would not understand why our allies are less committed to their security than is the United States. And worst of all, we would all be profoundly uncertain of our future ability to take difficult decisions together."

Mr. Eagleburger characterized as "victims and unsavory" the central argument used by the so-called European peace movement in attempting to block the missiles' deployment — that they represent a U.S. attempt to contain a future nuclear conflict to Europe.

Since Mr. Eagleburger's remarks, growth of opposition to the program has accelerated in the Netherlands, where one opinion poll maintains that only 14 percent of the nation's citizens favor basing the new missiles on Dutch soil, and in West Germany, the most important military ally of the United States and the country whose attitudes hold the key to deployment.

This growth in opposition, apparent through the summer in increasingly aggressive press campaigns, now appears certain to continue through the fall. An anti-

missile demonstration, already billed as the largest in postwar history, is scheduled for Oct. 10 in Bonn. Virtually every weekend during the autumn there will be regional Social Democratic Party meetings at which delegates will be asked to vote whether to reject or reaffirm the missile program in preparation for a decisive vote at a national party congress in April.

By some calculations here, the pattern of West German public opinion could become conclusive by November or December. Since Mr. Cheysson agreed, Mr. Wazzan communicated the offer to Mr. Arafat, who also agreed, the meeting took place in the afternoon. Louis Delamare, the French ambassador, and Farouk Kaddoumi, head of the PLO's political department, also attended the meeting.

The compromise ended the deadlock over the meeting, which

was to have been held Saturday.

Earlier it seemed that the Cheysson-Arafat meeting would not take place because of disagreement between France and the PLO over where it should be held. France wanted the talks at the residence of the French ambassador, while Mr. Arafat wanted Mr. Cheysson to come to his Beirut office — a venue to which the PLO would have indicated French recognition of the organization.

A PLO spokesman said Mr. Wazzan had offered his apartment as a meeting place during morning talks with Mr. Cheysson. When Mr. Cheysson agreed, Mr. Wazzan communicated the offer to Mr. Arafat, who also agreed, the meeting took place in the afternoon. Louis Delamare, the French ambassador, and Farouk Kaddoumi, head of the PLO's political department, also attended the meeting.

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Mr. Cheysson said that he saw no incompatibility between the Fed's monetary policies and the Reagan administration's fiscal policies so long as the administration cuts spending enough to make up for revenue lost by its tax cut.

"We have communication with the administration all the time. And I think in broad terms we have been on the same wavelength on monetary policy," Mr. Volcker said on another news program.

## French Official, Arafat Meet in Beirut; Talks Called 'Constructive'

*From Agency Dispatches*

BEIRUT — The French minister of external relations, Claude Cheysson, met Yasser Arafat, chairman of the Palestine Liberation Organization, Sunday at the home of Premier Shafiq al-Wazzan after a diplomatic dispute about where the conversation should take place.

Mr. Arafat described the 50-minute meeting as "very constructive." He added, "We spoke frankly concerning the whole problem in the Middle East, especially the Palestinian cause and Palestinian rights, all our rights as a people."

He said Mr. Cheysson took a positive stand and said that he could meet the French minister again, but did not say when.

But Mr. Cheysson, when asked at the airport before leaving for Damascus if the meeting heralded any change in France's attitude to the PLO as a representative of the Palestinian people, replied "no."

The French regard the PLO as a representative, but not the sole representative, of the Palestinian people.

The French minister said a solution to the Palestinian question was the key to resolving the Middle East and Lebanon crises. He emphasized the right of both the Israelis and Palestinians to a state with safe and secure boundaries.

Mr. Cheysson said his visit to Lebanon had been the central part of his Mideast tour. He said the continuous attacks on Lebanon were tragic and described as shocking the damage to buildings in Beirut caused by factional fighting and Israeli air strikes.

France, he said, was discussing with the Lebanese government ways of helping build up its security forces, both by sending equipment and by training officers and men.

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"We have communication with the administration all the time. And I think in broad terms we have been on the same wavelength on monetary policy," Mr. Volcker said on another news program.

Following Mr. Cheysson's arrival in Beirut from Amman, Jordan, he is making a tour of Jordan, Lebanon and Syria.

In a statement issued Saturday, the PLO noted that a French presidential envoy during Valéry Giscard d'Estaing's administration had met with Mr. Arafat at his Beirut headquarters.

The statement expressed the hope that the Socialist administration of President François Mitterrand would facilitate the Arafat-Cheysson meeting "out of keenness to preserve the Franco-Palestinian as well as the Franco-Arab relations."

Mr. Cheysson talked with Lebanon's deputy parliament speaker, Munir Abu Fadel, and with Patriarch Mar Antonios Butros Khreish, spiritual leader of Lebanon's large Maronite Christian community, before the meeting with Mr. Arafat.

"I am carrying a French message from France, knowing the suffering of the Lebanese people has surpassed the limits of the acceptable," Mr. Cheysson said after his meeting with Mr. Wazzan.

## Volcker Declares Tight Money Vital To Fight Inflation

*The Associated Press*

WASHINGTON — Federal Reserve Chairman Paul A. Volcker vowed Sunday to stick with a tight-money policy and expressed confidence that President Reagan supports that course even though it is being blamed for high interest rates.

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"I think the Federal Reserve is on target and surely fighting inflation through monetary restraint is essential to the success of our economic program," Mr. Weidenbaum said Sunday in a nationally televised news program.

Mr. Volcker said that he saw no incompatibility between the Fed's monetary policies and the Reagan administration's fiscal policies so long as the administration cuts spending enough to make up for revenue lost by its tax cut.

"We have communication with the administration all the time. And I think in broad terms we have been on the same wavelength on monetary policy," Mr. Volcker said on another news program.

In 1979, Mr. Kreisky became the first Western leader to receive Mr. Arafat. Soon afterward, Austria officially recognized the PLO's representative.

The chancellor, who was on a visit to Palma de Mallorca, told the Austrian radio in a telephone interview that the attack was an act by extremists who wanted to sabotage a growing understanding in democratic countries for the Palestinian cause. He dismissed remarks by Israel that the incident was the result of Austrian leadership.

The group claimed responsibility for the killing last May of Vienna City Councilor Heinz Nittel, president of the Austrian-Israeli Friendship Society, and threatened the life of Chancellor Bruno Kreisky for his attempt to mediate between Israel and the Palestinian leadership.

Police spokesman Werner Liebharts said Saturday that one of the assailants claimed membership in al-As-Safah, the military wing of al-Fatah, the largest guerrilla group in the PLO.

There were 200 persons gathered at the 155-year-old synagogue attending the bar mitzvah, a ritual that celebrates a boy's 13th birthday. The attack was the second against Jews in Vienna in a month.

Police said the terrorists attempted to enter the synagogue by concealing their weapons and wearing yarmulkes, traditional Jewish skullcaps, to disguise themselves as Sabbath worshippers. In the gunbattle that followed, the two uniformed policemen fought off the terrorists with the aid of a private bodyguard.

According to a police reconstruction of the attack, the two men planned to make their attack as the congregation left the synagogue. But one of the men panicked and threw a grenade, injuring one of the guards. The other assailant shot the second policeman in the back and ran away, firing wildly at passers-by, before he was overpowered.

Police said 29 persons were arrested and 20 injured as protesters tore down a barbed-wire barricade and pelted police with water bombs and fruit as the visitors beat New Zealand 24-12 Saturday. Police said a remote-controlled bomb was set off outside the stadium and several smoke bombs went off inside during the game.

A grenade charge exploded at the Wellington rail yard early Saturday halting trains for six hours, police said. No one was injured. Before it got under way groups of demonstrators blocked highways leading to Wellington, causing traffic jams and forcing some rugby supporters to miss the game. There were also demonstrations in other parts of the country.

## 2 Killed in Attack on Vienna Synagogue

*(Continued from Page 1)*

members of these organizations. There is no doubt that this tolerant attitude and the sympathy that they have received from the Austrian government encourages them to carry out actions of this kind."

The Austrian government, meanwhile, summoned the Israeli chargé d'affaires to explain Israeli statements criticizing Austria for the attack.

&lt;p

# Arms Budget Ceiling Illustrates Reagan's Lowered Expectations

By Howell Raines  
*New York Times Service*

SANTA BARBARA, Calif. — As a candidate, Ronald Reagan liked to ridicule former President Jimmy Carter for suggesting that the American people ought to lower their expectations. But since taking office, Mr. Reagan has had to lower his own expectations.

In no case has this been more evident than in the president's

## NEWS ANALYSIS

abrupt reversal on the size of the defense buildup that Mr. Reagan has called necessary to close the "window of vulnerability."

The president's original proposal — an increase in the military appropriation of 7 percent a year for five consecutive years — would cost \$1.5 trillion at a time when the government's income will be dipping because of the tax reductions that he has also called necessary, to revitalize the economy.

Last week, White House spokesmen contended for the first time that the 7 percent figure was a "cap," not a pledge, thereby paving the way for the military cuts that the administration avoided in its first round of budget planning.

### 7-Percent Solution

The watering-down of the 7-percent solution is an example of revisionist Reagan-style, or the technique this administration uses to keep aligned its leader's principles and the morally political and economic realities he confronts.

It is process: all administrations engage in; and so far Mr. Reagan has done a solid job of preserving his guideposts — sometimes, it seems, despite rather than because of his advisers' best efforts.

The emerging style of some Reagan aides is to deal with policy adjustments or conflicts by denying they exist and sometimes that detracts from the impression of consistency.

Edwin Meese 3d, the White House counselor, assured reporters on Thursday that "7 percent was only a rough target for planning purposes — it was never an absolute figure."

Similarly, Mr. Meese and others involved said that there was no conflict on Wednesday when Defense Secretary Caspar W. Weinberger and David A. Stockman, the budget director, were summoned to Mr. Meese's cottage.

Yet Mr. Weinberger came out of that meeting saying there would be no steep cuts in the defense budget, while Mr. Stockman said that he had told Mr. Weinberger that one "squeezing" had to be done in military spending.

"I think he agrees, and they've

done a lot of things already and they may have to do more," Mr. Stockman added.

The upshot is that by the second week in December, officials said, Mr. Reagan may have to announce a reduction in the more than \$220 billion in military spending authority he has already set for fiscal 1982.

The case of Stockman-versus-Weinberger is a Reagan-era version of "guns-versus-butter." Mr. Reagan believes there must be accelerated military spending to counter what he calls "the greatest military buildup in human history" on the part of the Soviet Union.

As for the domestic side of the spending formula, Mr. Reagan has already cut back sharply. Mr. Stockman has told the president that if Mr. Weinberger has his way with the defense budget, Mr. Reagan will have to make truly drastic cuts in social programs, highways and other nondefense spending.

### Additions Cuts Ruled Out

So far, such additional cuts have been ruled out as politically unacceptable. Even so, there are still areas in dispute. For example, Mr. Stockman must find an additional \$30 billion in budget savings in fiscal 1983 and another \$44 billion in fiscal 1984. He would like the Department of Defense to absorb some of these reductions, so there will be a lighter blow against politically sensitive programs such as Social Security.

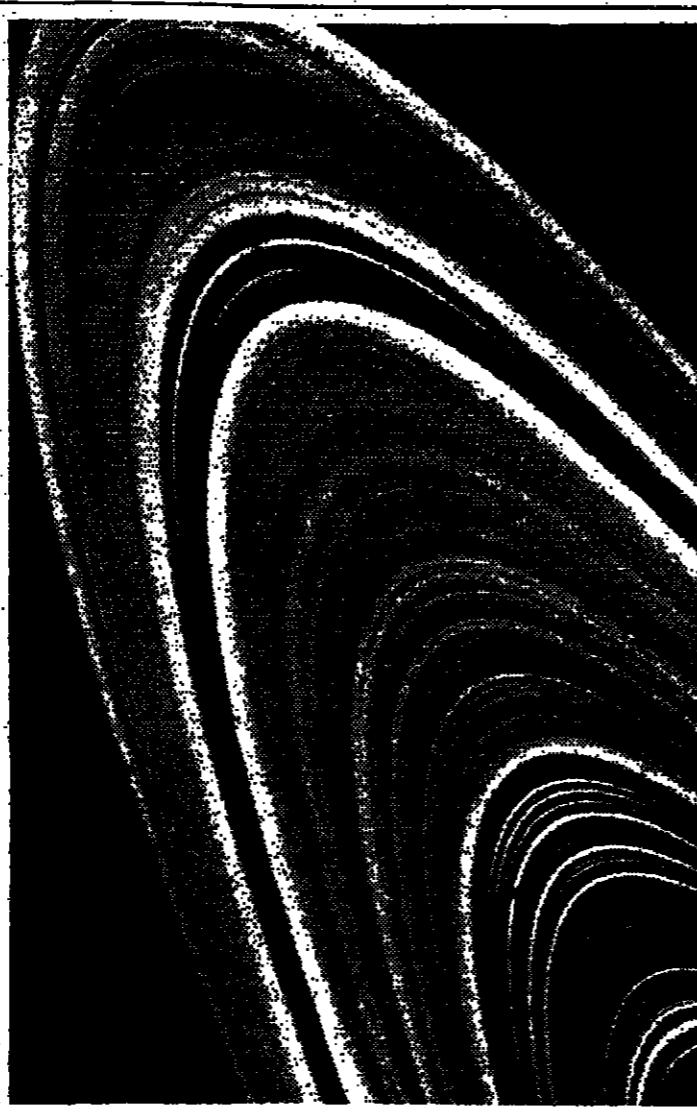
Said one official of the proposals for finding additional non-defense cuts, "I've seen some of the possible options for achieving the \$30 billion and the \$44 billion and they're pretty hair-raising."

The president also directed Mr. Stockman and Mr. Weinberger to compromise on their differences as to the formula for calculating the annual increase of 7 percent or less in defense spending.

Mr. Stockman has suggested that one track for meeting the goal of balanced budget in 1984 is to calculate these increases from the 1981 military appropriation of \$176 billion, Mr. Weinberger favors using the 1982 appropriation of \$221 billion as the base figure.

While such intricate matters were being discussed at the White House vacation headquarters, and Mr. and Mrs. Reagan spent most of the week in seclusion at their ranch, only Mr. Meese of the "big three" — the triumvirate of key advisers that also includes Michael K. Deaver and James A. Baker 3d — was with the president.

More so than usual, the operation reflected Mr. Meese's talent and taste for authority in his role as chief policy spokesman; indeed, some aides jokingly refer to him as "the prime minister."



United Press International  
Variations in the chemical composition of Saturn's ring system can be detected in this picture assembled from frames obtained last week by Voyager-2 from a distance of 5.5 million miles.

## Passing Saturn, Voyager-2 Detects Odd Signals, Cloud

By John Noble Wilford  
*New York Times Service*

PASADENA, Calif. — Strange pinging radio signals and a doughnut-shaped cloud of energetic particles, perhaps associated with Saturn's inner moons, have been discovered by instruments on the Voyager-2 spacecraft.

Scientists reported these findings Saturday as Voyager-2, its cameras taking pictures again after a three-day interruption caused by a mystifying malfunction, sped more than 2.6 million miles away from the giant, ringed planet. Engineers still cannot explain what happened to cause the camera-pointing mechanism to jam.

Dr. Donald A. Gurnett, a University of Iowa physicist and member of the Voyager science team, said the spacecraft's plasma wave instrument had detected "unusual radio emissions of low frequency" during its passage of Saturn last Tuesday. Recorded emissions sounded somewhat like the pings from dolphins playing in the ocean depths.

The signals, Dr. Gurnett said, seemed to be characteristic of Saturn and to be detectable only in the near vicinity of Saturn, particularly in the region of the inner moons Tethys and Dione. The signals were heard first by Voyager-1 during its fly-by last November but appeared stronger and more unmistakable when picked up by Voyager-2.

### Signals Toward Saturn

Although the nature of the emissions was not completely understood, Dr. Gurnett hypothesized that they "are in some way associated with the inner moons of Saturn" whose rotations perhaps accelerate electrons in the magnetic fields and thus produce oscillations in the charged gases, known as plasmas, that have been discovered in the region. The radio signals, he said, seem to propagate only inward toward Saturn and not outward.

Another phenomenon discovered at Saturn, the cloud of electrically charged atoms, could act as the barrier containing the radio signals and keeping them from propagating outward, he added.

Data from two Voyager instruments, the low-energy charged particles and the plasma detectors, disclosed the existence of an invisible cloud of charged atoms, called ions, encircling a vast region that embraces the moons of Tethys and Dione. Tethys is 183,000 miles from Saturn, and Dione, 234,000 miles.

Dr. Herbert S. Bridge of the Massachusetts Institute of Technology said the doughnut-shaped cloud, called a torus, was "ap-

parently" formed by the interaction of the solar wind with the magnetic field of the planet.

The signals, Dr. Gurnett said, were "very similar" to the one discovered by the Voyagers as they flew by Jupiter.

The torus near Jupiter was created by atoms, mostly oxygen and sulfur, emanating from the moon Io, which is about the same distance from Jupiter as Tethys is from Saturn. Scientists estimated that Io was feeding one ton of material into the torus every second.

According to the plasma detector, Dr. Bridge said, Tethys and Dione appeared to be discharging atoms at the rate of only two pounds a second. The particles are accelerated and energized by the Saturnian magnetic fields, an electrically charging process known as ionization.

Dr. S.M. Krimigis of Johns Hopkins University reported that the low-energy charged particle instrument indicated that the torus consisted primarily of ionized hydrogen with traces of carbon and oxygen. This had gone undetected by Voyager-1, which had observed only uncharged hydrogen atoms forming a neutral torus in the region of Titan.

Further analysis of photographs of Iapetus has led project scientists to conclude that at least half of the 900-mile-wide moon "is covered with a fairly thick stain of organic material," said Dr. Carl Sagan, a Cornell University astronomer and member of the Voyager science team.

He said this and the discovery of hydrocarbon smog enveloping the moon Titan indicated that complex organic chemical processes, perhaps like those that occurred on Earth before life emerged, are taking place in the cold outer solar system.

### Suits Permitted Over Nixon Tapes

*The Associated Press*

WASHINGTON — The Supreme Court has refused to block any trials seeking to make former President Richard M. Nixon and his top White House aides pay for spying illegally on U.S. citizens.

The justices on Friday rejected a Reagan administration request that they reconsider their June 22 ruling and June 29 orders which appear to permit individuals, including former national security aide Morton Halperin and New York Times reporter Hedrick Smith, to collect damages from Mr. Nixon and his aides.

Mr. Nixon, former attorney general John Mitchell, and former White House chief of staff H.R. Haldeman previously were found to have authorized illegal wiretaps on the home telephones of Mr. Halperin, Mr. Smith and others in the late 1960s and early 1970s.

Dr. Herbert S. Bridge of the Massachusetts Institute of Technology said the doughnut-shaped cloud, called a torus, was "ap-

## More Explosives Reported Sent to Libya in '77

### Indicted CIA Ex-Agent Is Said to Also Organize 20-Ton Deal

(The following article is based on reporting by Philip Taubman and Jeff Gerth and was written by Mr. Taubman.)  
*New York Times Service*

WASHINGTON — Twenty tons of plastic explosives were secretly and illegally shipped from the United States to Libya in 1977 for use in the manufacture of bombs for terrorism, in a deal organized by a former agent for the CIA, according to U.S. investigators and participants in the transaction.

The sources said that the deal, which involved financial transactions on three continents and the manufacture of the explosives in Canada and in four states, was consummated when 40,000 pounds of C-4 explosive compound were flown from Houston Intercontinental Airport to Libya in October 1977.

The U.S. sources described the shipment as one of the largest illegal movements of explosives ever investigated by the government. C-4 is a powerful plastic explosive frequently used by the military for demolition work.

### Indicted Ex-Agent's Role

The former intelligence agent who made the arrangement, U.S. investigators and participants said, was Edwin P. Wilson. In 1976, according to U.S. authorities, Mr. Wilson closed a deal with the Libyan leader, Col. Moammar Gadhafi, to use his expertise in intelligence, arms and explosives to train terrorists in Libya.

Mr. Wilson was indicted by a U.S. grand jury on charges of illegally exporting explosives to Libya in connection with earlier, smaller shipments separate from the 20-ton transaction. Mr. Wilson is now a fugitive, believed to be living in Tripoli, the Libyan capital.

The 20-ton shipment has been under investigation by the Justice and Treasury departments for more than a year, and officials said that indictments are expected by a grand jury here in September.

Arrangements for the shipment, U.S. investigators said, began in the summer of 1977. By that time, they said, Mr. Wilson had established facilities outside Tripoli and in Benghazi and Tobruk for the manufacture of bombs for terrorist acts. These devices, made out of the plastic explosive compound, were shaped as ashtrays, attaché cases, coat hangers, rocks and other ostensibly harmless items.

### Explosives Experts Hired

To create the devices and to instruct Libyans in their use, Mr. Wilson hired and brought to Libya a small group of American explosives experts, including several former Army ordnance officers, investigators said. The group also included one former government ordnance expert who had worked at the White House, on detail to the Secret Service, to handle bomb

threats against Jimmy Carter when he was president. The ordnance export later became a government witness.

A partial description of this operation was included in the 1980 indictment of Mr. Wilson and Frank E. Terpil, another former CIA operative who was also charged with illegally shipping explosives to Libya.

In July, shortly after the accidental detonation of a device killed three Libyans and wounded two Americans, one seriously, Mr. Wilson initiated discussions with a California explosives manufacturer about obtaining a "shipload" of the C-4 compound, U.S. investigators said.

The manufacturer, Jerome S. Brower, was indicted along with Mr. Wilson and Mr. Terpil last year for his involvement in earlier, smaller shipments of explosives to Libya.

Mr. Brower, president of J.S. Brower & Associates, an explosives manufacturing and distribution firm in Pomona, Calif., pleaded guilty earlier this year to one count of illegally shipping explosives.

To finance purchase of the C-4 explosives, Mr. Wilson arranged for the transfer of about \$250,000 from the United Bank of Switzerland to an associate of Mr. Brower's, according to U.S. investigators.

### \$55,000 in Undeclared Cash

Inspectors of the U.S. Customs Service subsequently found the associate entering the United States from Canada with \$55,000 in cash that he had not declared.

The money, which was contained in his shaving kit, U.S. investigators said, was taxed but not confiscated, and participants in the deal said, the arrangements for manufacture of the C-4 proceeded in secret.

Because of the large quantity of C-4 needed by Mr. Wilson for the mass production of explosive devices in Libya, his associates in the United States had to parcel out orders to manufacturers in California, Louisiana, New York, Texas and Canada, U.S. investigators said.

The C-4, manufactured in Canada, New York and California, was transported by truck to J.S. Brower & Associates in Pomona, where it was repacked and sent by truck as a single shipment to Houston for final handling and forwarding to Libya, U.S. investigators said. They said that the C-4 made in Texas and Louisiana was shipped directly to Houston.

According to two participants in the operation, Mr. Wilson turned to a freight forwarding company that he had helped establish, Aroundworld Shipping and Chartering Inc., to consolidate and pack the C-4 and arrange its shipment. At the time, the firm had offices in Washington, in a suite housing several other companies

operated by Mr. Wilson, and in Houston.

For transportation of the explosives to Libya, Mr. Wilson's men contracted with a small air charter company based in Miami known by the initials JFC, according to the two participants and the U.S. investigators. They said the company operated a DC-8 that it used for the shipment of beef from South America to the United States.

**Details of Payment**

On Oct. 1, 1977, four of the men coordinating the shipment flew from Houston to Miami aboard a Continental Airlines flight to sign a contract with JFC. The contract called for payment of half a total cost of \$70,000 to \$80,000 before the DC-8 left Miami and payment of the remainder before it took off from Houston, the participants said.

Meanwhile, in Houston, the C-4, which was contained in five-gallon barrels, was readied for placement in the DC-8, the participants said.

To deceive Customs Service inspectors, they said, the containers were labeled to indicate they held oil-well drilling fluid.

The containers passed through customs as a routine shipment of oil field equipment and were never examined firsthand by customs inspectors, the participants said.

To disguise the final destination of the shipment, U.S. investigators and participants said, the plane's pilots filed an incomplete flight plan with the U.S. Aviation Administration, showing their route only as far as the Azores. Participants said the plane, which left Houston later in October, refueled in Portugal and continued on to Tripoli.

### Immunity for 2 Participants

The U.S. government first learned about the illegal shipment more than two years later while questioning participants involved in the smaller shipments, investigators said.

In the ensuing investigation, prosecutors granted immunity to two key participants in the ship-

ment, according to a source familiar with the case. Mr. Brower was given immunity after agreeing to plead guilty to the earlier charges. The other person, a former official of Aroundworld, has provided the government with details about the operation, investigators said.

Aroundworld remains in operation today, with its only office located in Houston. The company is now owned and operated by Douglas M. Schlachter, according to Mr. Schlachter's attorney, Alvin C. Astew.

Mr. Schlachter, who is believed to be living in Africa, was a business associate of Mr. Wilson's in Washington. The 1980 indictment of Mr. Wilson, Mr. Terpil and Mr. Brower stated, "To oversee and manage the terrorist training project and to represent their interests in Libya, the conspirators sent Douglas M. Schlachter to Libya for periods of time between August of 1976 and January of 1978."

Since last February the company has also been the target of an unrelated investigation by the U.S. Maritime Commission, which leases ocean freight forwarders.

## Probe Continues Of Papal Assailant

*The Associated Press*

ROME — Although the Turk who shot Pope John Paul II is serving a life sentence, a state prosecutor has said "investigations are continuing in full force, looking for any possible accomplices."

Nicolo Amato, who represented the state at the trial of 23-year-old Mehmet Ali Agca, said Friday that Italian officials are working with Interpol to trace his travels through Europe, North Africa and the Middle East after his escape from a Turkish prison in November 1979.

Police, admitting that there are many gaps in their knowledge of Mr. Agca's 18 months of traveling, are trying to determine who financed his journeys and helped him get false passports.

## 18 Hurt in Bomb Blast at Paris Hotel; Terrorist Group Believed Responsible

*From Agency Dispatches*

PARIS — A bomb exploded in the Intercontinental Hotel in central Paris Saturday, injuring 18 persons, none seriously, police said.

Police said Sunday they believed that an "international terrorist organization" rather than an individual was probably responsible for the bomb, which wrecked furniture, glass panelling, wood carvings and ceilings in a large area of the

first floor of the 473-room hotel across from the Tuilleries Garden.

"I would think it likely that the organization involved is one of the international ones we have had to deal with before — Armenians against Turks, Palestinians against Israelis or the Irish Republican Army against Britain," a police official said.

However, he did not say why he believed an international group was involved. No one has claimed responsibility for the blast.

## IBER

## Different Circumstances

The United States, under the Reagan administration, is determined to stand firm on its rights in dealing with the world's troublemakers. But the case of the North Korean missile is not quite so unambiguous as the attack by the Libyan fighter planes. Incidents like these are, unfortunately, not uncommon along certain boundaries. It is better tactics not to let the American responses set a pattern of immediate and reflexive threats.

The North Korean missile exploded a few miles from the American reconnaissance plane as it flew along the Korean coast. The United States immediately declared that the plane was in international air space and denounced the firing of the missile as illegal. "The United States as a leader of the free world has an obligation to be a strong advocate of adherence to accepted rules of international law and behavior," Secretary of State Haig said at his news conference.

Earlier Edwin Meese, the counselor to the president, said that in the event of a repetition, American planes might attack the site from which the missile was launched. Language like that comes pretty close to a dare from which it might be difficult to retreat.

THE WASHINGTON POST

## When Death Becomes Routine

This much has been proved by the 10 hunger strikers who have died to protest British rule in Northern Ireland: They put their lives at risk for a passionately felt cause, and gave their beliefs a powerful resonance. But something else has also been shown. In the cold coinage of global attention, when death becomes routine, shock fades.

Four months ago Bobby Sands became the first striker to give up his life in the Maze Prison near Belfast. It was then an open question whether Prime Minister Thatcher would grant the political status or other changes demanded by Irish Republican Army prisoners. That question is closed: She didn't, and won't. Any shift in her stance is unlikely, since she has already braved the worst possible publicity.

So how long can the protest continue? It may be a sign of both waning attention and weakening resolve that families of the H-block strikers want to halt a fast if they feel a striking prisoner cannot make a rational decision. Even IRA leaders are now debating how long the protest can remain politically productive.

The strikers haven't budged the British prime minister, but they have put themselves at the center of Irish politics. In the predominantly Protestant North, an IRA sympathizer has just won a parliamentary election for the seat briefly held by Bobby Sands. And in the predominantly Roman Catholic Irish Republic, a resurgent nationalism fed by the

THE NEW YORK TIMES

## Cars — The Future Is Now

A few months ago, Scientific American published an analysis of the future American market for cars and light trucks. The authors, Charles Gray and Frank von Hippel, concluded that the average fuel economy of the whole U.S. fleet built in 1995 could be 60 miles per gallon — even allowing for 40 percent of the sales to be of large cars and light trucks.

According to their calculations, which were based on improvements of existing technologies, the costs of the necessary changes would be less than \$1 per gallon of saved fuel. Considering that the comparable fuel efficiency figure for 1980 — that is, the average on-the-road fuel economy of new cars and trucks — was 18 mpg, the conclusion seemed somewhat incredible, more an academic exercise than a projection of practical reality.

Now, however, comes the announcement that Volkswagen is planning full-scale production of a four-passenger car that will deliver 75 mpg or more. The car will appear on the market, the company says, not in the distant 1990s, but in three or four years. Auto industry sources report that prototypes have scored well above 90 mpg on the Environmental Protection Agency's mileage test. THE WASHINGTON POST

### International Opinion

#### Ax Over the Concorde

President Mitterrand is reported as saying, out of the blue, that France will seek to wind up operations of the jointly produced supersonic airliner because, for all of its technical brilliance, it is proving too much of a commercial flop for his hard-pressed exchequer to sustain. [But] British Airways, which is even more hard-pressed financially than the French Ministry of Finance, stolidly suggests that it might "go it alone" with Concorde.

Few paradoxes in recent years have been stranger .... In France, a Socialist president electorally committed to and already en-

gaged in an expensive program of reflation by government spending, nonetheless raises his ax over Concorde's drooping beak because he considers the wonder bird altogether costly to keep in flight.

— From the Sunday Telegraph (London).

#### Target of Invasion'

South Africa's "invasion" of Angola was, in reality, just another engagement in a continuing war. The target was not Angola, with its Cuban soldiers and East German advisers, but the Marxist-led SWAPO guerrillas who are based there.

— From the Daily Mail (London).

#### In the International Edition

##### Seventy-Five Years Ago

August 31, 1906

RIO DE JANEIRO — Senator Francisco Bernardino, an influential deputy, has introduced a bill providing that countries taking four million bags of Brazilian coffee shall get a 20 percent reduction from the present tariff on imports and those taking three million bags of Brazilian sugar would get a reduction of 10 percent. The bill would affect France and Italy, and give the United States a 30 percent advantage. The proposition is the direct result of the visit of Secretary of State Elihu Root during his recent South American tour, and bids fair to start a great commercial struggle. A leading economist declares the plan is impracticable, but it is likely to become law.

##### Fifty Years Ago

August 31, 1931

BOMBAY — After his 11th-hour decision to boycott the round-table conference on India, Mahatma Gandhi decided Thursday to sail for London. Camera fans besieged him today during his first day at sea aboard the liner Rajputana. He was jubilant and chatted with the passengers, played with the children and behaved like a schoolboy on an excursion. He was in good health, though his fellow passengers, the Pundit Malabia and Mrs. Sarojini Naidu, delegates of the Indian National Congress, and the Nawab of Bhopal, were sick. Gandhi, who brought on board 10 gallons of specially pasteurized goat's milk, has not missed a meal yet. He sleeps on the bare deck and rises at 4 a.m.



## Aid to the Poorest of the Poor

By Jonathan Power

LONDON — The Organization of Economic Cooperation and Development estimates the loss of potential wealth in the Western world from oil price increases and associated fiscal policy changes since January, 1979, at \$550 billion.

This is a mind-boggling sum that is incomprehensible to ordinary mortals. When we look at the very poorest of the developing countries — the bottom 30 — the increase in their poverty is difficult to comprehend for a dramatically opposed reason. In this case, the figure to look at for the same period is the decline in their annual income of only \$3 per head. For us this is not even noticeable. For them it is the margin between life and death.

#### Rough Figures

The policy planning division of the World Bank estimates that between 1980 and 1990 the number of people living in absolute poverty in sub-Saharan Africa may increase from 110 million to 150 million and that then "four out of every five Africans will be living below the absolute poverty line."

Of course, down at the margins of life, figures like this are very rough and ready, but undoubtedly the trend they reveal is correct. What does it take to make outsiders sit up and notice an appalling famine — though these usually only register on our television screens after most of the dying has been done, as Cambodia illustrates?

For once, we should look at the rough statistics and draw conclusions ahead of the catastrophe. A few more of the critical figures: Average per capita food production fell in 60 countries in the last decade. Average incomes fell in 30 countries — 23 of them in Africa. During the 1970s, the growth of the purchasing power of their exports each year was downward.

All this is supposed to be considered this week in Paris at the United Nations Conference on the Least Developed Countries. The conference, however, will only succeed if it makes one important point. To help these poorest of the poor does not require big changes at the rich end.

#### Mighty Members

The conference is not addressing the whole of the Third World, with its mighty members, India, China, Brazil and Indonesia, whose plight can only be satisfactorily answered by a radical change in the world banking system. The conference is focusing attention on the rather small countries like Bhutan, Benin, Botswana and Burundi, which could be helped from the rich back pocket.

Exactly how? First, by more rich countries giving them priority. Seven Western countries (the Scandi-

nians plus the Netherlands, Canada and Italy) give more than 25 percent of their aid to the least developed countries. But some of the big donors like France and the United States give only 10 percent. The OPEC countries give only 17 percent and the Socialist countries 16 percent.

A small shift in the percentages could make an enormous difference at the receiving end. The aid not only should be given, it should be uniting from the apron strings of its donors. Let the recipients spend it in the cheapest marketplace, including their own — not in the donors' market, as is frequently a prerequisite for aid — and they will stretch its value by nearly a third. The aid, too, should be available not just to buy the tractors and trucks, but to keep them operational.

In Tanzania, 90 percent of the tobacco industry's trucks are off the road, 30 percent of the cotton vehicles and 40 percent of the sisal vehicles.

#### Clear Debt Slate

The debt sheet should be wiped clean. A move on these lines by some donor countries was made in 1978. It needs to be repeated on a more extensive scale. This will not affect their ability to raise future credit, for these very poor countries rarely approach the commercial banks.

Aid-giving procedures need to be drastically simplified. There is a

confusing diversity of methods and regulations from the 40 different donor agencies. On one count, one developing country received 300 evaluating teams in the course of a single year. Food security needs to be tackled head on. There should be two main components: more aid for research and on-the-ground expertise for increasing production.

And an enlargement and liberalization of the terms of the rather brilliant new innovation of the International Monetary Fund — the so-called food facility, which will help protect countries against fluctuating prices in the cost of food imports.

Finally, how about a bold new innovation? A rebate on the tariffs and taxes charged on the imports of the poorest countries. It is estimated that the European Economic Community, the United States and Japan earn \$200 million a year from duties imposed on the goods of the very poor.

These are just a few of the simple and inexpensive ideas that could be brought into play to show that the richer countries agree that suffering has its limits and that whatever profound reforms need to be made to the world's economy, there are some priorities that cannot wait.

Mr. Power is editorial adviser to the Independent Commission on Disarmament and Security Issues. ©1981, International Herald Tribune.

## Visitors' Lagos: Can It Really Be That Bad?

By Bowden Quinn

LAGOS — This West African capital may be the most maligned city in the world.

Power blackouts, traffic jams, armed robberies and murders occur in all West African cities. Why does Lagos have a reputation for being worse than all the others? Is the reason just that it is bigger, so problems happen more often and are harder to handle? Or is the reason more spiteful than that?

Nigeria, with \$25 billion in oil revenue last year and a population estimated at 90 million, is the only black African nation that can aspire to be a world power in this century. Many outsiders, Westerners and Africans alike, may not like that prospect. Certainly, they seem eager to believe the worst about this country and to pass it on.

For 18 months, as I traveled this West African coast, people kept telling me how awful Lagos was. After six weeks here, I beg to differ.

A globe-trotting salesman I met in Freetown, Sierra Leone, said Lagos was the only stop he dreaded. The corruption annoyed him most. Hotel reservations mean nothing here. Desk clerks must be

bribed to find an empty room, and sometimes bribed again to let you back in.

Despite the high cost of the rooms, which start at about \$80 a night, with payment for the full stay demanded upon arrival, amenities may be lacking. A Canadian journalist told me he spent a week without water in one of the best hotels. Electricity and food service are also intermittent.

Troubles begin at the airport. A U.S. government employee told me he had to give \$2 to an immigration officer to get his passport back. Inspectors are said to borrow expensive pens to complete passengers' forms, then refuse to return them. Luggage disappears. If you get your bags, customs agents may see something they like in them.

On the way to the hotel, you get your first long look at the famous Lagos traffic jams that make almost any 10-mile trip a 90-minute journey. Don't try to beat the traffic. I was told it was safer to stay in the airport than risk robbery or worse by coming into the city at night. Articles in international newspapers and magazines have described, in grisly detail, the rampant crime here and the mobs that stone or burn to death any thief caught in the street.

No one has tried to rob me yet in Lagos. On the sidewalks of Dakar, Senegal, they tried several times in the course of a few short stays. In Freetown, I saw many thefts of the snatch-and-run variety. Thieves hit companions of mine twice.

The traffic is horrendous in Lagos. What can you expect from a city of 3 million people with hardly any working traffic lights? The drivers all seem crazy, but I feel safer in a taxi here than in Abdjan, where I saw many more accidents, most involving at least one car.

A U.S. Embassy worker in the Ivory Coast told me he liked Lagos because, with such going-ons, he never got bored. He is twice my

## A START to Ending First-Strike Danger:

By William E. Colby

WASHINGTON — Rejection of SALT-2 having been a major element of President Reagan's campaign, it is clear that something new is required. Eugene Rostow, new director of the Arms Control and Disarmament Agency, opened with the suggestion that the acronym SALT — Strategic Arms Limitations Talks — be changed to START — Strategic Arms Reduction Talks.

The Carter administration had somewhat the same idea in 1977 if proposed substantial reductions to Moscow, including the elimination of the Soviet SS-18 heavy missile. Soviet suspicion that the careful trade-offs of the 1975 Vladivostok meeting were being revised in the United States' favor caused a sharp rejection of the Carter proposal.

Gen. Edward Rowny's recent revival of this approach is not likely to meet a better reception, nor is the administration's new effort to measure relative forces by throw weight and megatonnage rather than missile launchers and warheads.

The 1977 experience gives warning that any proposal to ... see SALT-2 must be carefully prepared to appeal to the Soviet Union as well as to the United States.

#### Focus of Concern

One of the major causes for the failure of SALT-2 and the current determination of the United States to strengthen its nuclear forces is the danger that the Russians are developing a first-strike capability, some years ahead of earlier intelligence projections. It has been the focus of great concern, leading to proposals such as the MX missile and its shell-game basing system, possible revival of anti-ballistic missile defense requiring abandonment or modification of the 1972 ABM agreement, and farther-out possibilities such as active defense systems in space.

From the Soviet point of view,

the same first-strike concern exists. Relatively recent increases in the accuracy of the U.S. Minuteman-3 due to an improved guidance system, the substantially improved effectiveness of the new A-12 warhead, and, of course, the prospects for a new MX missile clearly present the likelihood of a U.S. first-strike potential, either existing or imminent.

We are thus in a situation comparable to that in the late 1960s, when the United States was well ahead in MIRV technology. The subject was omitted from SALT-1, at the cost of seeing the Russians not only catch but surpass us in the numbers of warheads placed on their new generation of missiles in the 1970s.

We are currently somewhat ahead of the Soviet Union in first-strike capabilities, but the Soviet progress is clear, as is the prospect that the two superpowers will face each other in the high noon of the 1990s with these hair-trigger missiles, but still essentially equal in overall power.

#### Simple Principle

In this situation, a real START could be made on one simple principle: the elimination of the first-strike potential of both the United States and the Soviet Union. The only first-strike potential existing or likely to exist in the near future comes from land-based intercontinental ballistic missiles (ICBMs). A simple no-first-strike environment thus could be achieved by an agreement to dismantle and eliminate all land-based ICBMs in ob-

The criticism of Lagos that have found to be the most inaccurate is that the people are rude, arrogant and greedy. I have found them to be at least as friendly and generous as West Africans.

#### What It Lacks

Lagos isn't the most pleasant city in West Africa. It lacks Dakar's colonial charm. Its town's scenic beauty, Abidjan's dazzling splendor. In some ways, though, I prefer it to those cities.

People say that Africa needs time to develop, that these young nations suffering from trying to develop too quickly but how to slow it? Africa doesn't have hundreds of years to bring people out of the Dark Ages. Western Europe did. It will need to develop in wealthier North America was, Africans and compete on a planet of shrinking resources and ever more dubious tomorrow. Who can blame them if they want as much as they can get today, and devil take the hindmost?

Bowden Quinn, a former reporter for The Manchester (Conn.) Inquirer, is an Overseas Journalism Fellow of the Institute of Current World Affairs. He wrote this article for The New York Times.

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# For French Rightists, Loss of Power Brings Disoriented Response

By Richard Eder  
*New York Times Service*

**PARIS** — Bernard Stasi, leader of a small liberal group in the coalition that supported former President Valéry Giscard d'Estaing, recently compared the French political scene to a soccer match just after the half-time switch of goals. "For a little while," he wrote, "the players are disoriented, returning a tendency to kick the ball the wrong way."

He noted a number of paradoxes. For example, he contended, it makes no sense for the Socialist government to be pushing decentralization and for the opposition

## NEWS ANALYSIS

to be opposing it. "It is when you are in opposition that you should welcome the chances offered by decentralization," he wrote. Because the right still thinks of itself as in power, he continued, it defends the institutions of power even when they are in the hands of its antagonist.

The confusion is largely one-sided. The Socialists, who have conducted a clean sweep of key bodies such as the state television system and who are moving ahead with their economic program, seem reasonably adjusted to power. But then it is easier to become accustomed to riding in a limousine than to taking the bus.

The French right has not even found the bus stop. To many of its leaders, the end of their 23-year sway has felt more like going into exile than simply losing power. For them, France has not merely changed political parties; it has all but been occupied. Jacques Toubon, an energetic young lieutenant of the neo-Gaullist leader, Jacques Chirac, said on television recently that not only was it un-French for the left to hold power, it was against the spirit of the French Revolution.

If the remark seemed a trifle disorienting, it should be noted that Mr. Toubon is Mr. Chirac's choice to revitalize his party, the Rally for the Republic. Even senior figures in what is still called the "old majority" — the Socialists are still called, by some, the "old opposition" — seem disoriented. All summer, an energetic young lieutenant of the neo-Gaullist leader, Jacques Chirac, said on television recently that not only was it un-French for the left to hold power, it was against the spirit of the French Revolution.

On Vacation

Mr. Chirac made his reappearance only last week, giving a quiet speech at the Arc de Triomphe commemorating the 37th anniversary of the liberation of Paris. Mr. Giscard d'Estaing has been away

## U.S., in Shift, Accepts Plan On Chicago Desegregation

*New York Times Service*

**CHICAGO** — The Justice Department has reversed itself and said that it was satisfied with Chicago's proposals to desegregate its schools.

On July 21, the department had criticized the school board proposals for desegregating the nation's second largest school system, saying they were incomplete.

The department said the city's plan placed an unfair burden on black students, that it would leave many schools as much as 70 percent white when white students make up only 18 percent of total enrollment, and would leave about 250 schools all-black or all-Hispanic American.

But in a joint statement submitted Friday to the U.S. District Court, which is overseeing desegregation

## Romania Plans To Encourage Private Farming

*Reuters*

**VIENNA** — Romania will allocate private plots of land to individuals to help boost the country's flagging agricultural production, according to President Nicolae Ceausescu.

He said Saturday that animal breeding by private individuals would also be encouraged both in the countryside and in towns, the Romanian news agency Agerpres reported. The decision, which is a departure from Romania's concept of collectivized farming, reflected the country's poor agricultural performance this year.

In his speech at a meeting on agriculture at the Communist Party headquarters in Bucharest, Mr. Ceausescu said certain foods for the home market had had to be made up from state reserves.

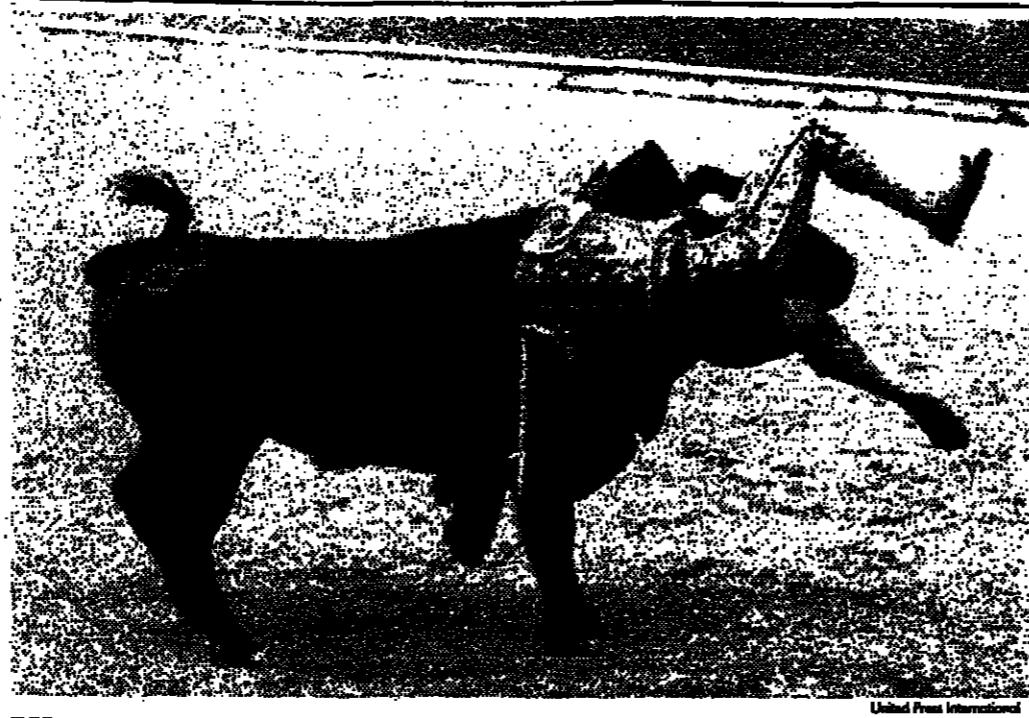
He said that a deficit of about 12,000 tons of meat had been drawn from the reserves, and exports of food had been stopped, while some commodities, such as sugar, had to be imported.

Although this year's agricultural performance has been satisfactory and the harvest was adequate for supplying the population with food for the winter, Mr. Ceausescu said production had been small.

## U.S. Jet Crashes in Korea

*United Press International*

**SEOUL** — A U.S. Navy A-7E fighter plane crashed Saturday at Osan Air Base near Seoul, killing one crewman, a spokesman said.



BULLFIGHTER INJURED — Curro Romero was gored in the right thigh in a bullfight in Almeria, Spain, his second fight of the afternoon. He was hospitalized in serious condition.

## FAA Gets More Than 100,000 Applicants To Fill Jobs of Striking Air Controllers

By Marlene Simons  
*Los Angeles Times Service*

**WASHINGTON** — More than 100,000 persons have applied for positions as air traffic controllers, officials at the government's Office of Personnel Management said.

About a month after 12,000 members of the Professional Air Traffic Controllers Organization began an illegal strike and were subsequently fired by the Reagan administration, officials at the Federal Aviation Administration said they were delighted with the number of applicants seeking the jobs.

"We're very, very pleased," Dennis Feldman, an FAA spokesman, said. "We'll get some top-caliber candidates from such a large group. Obviously, people do not believe what PATCO has been saying — that it's a bad job. There are eight guys waiting in line for every striker who's out picketing."

**New Talks Predicted**

Meanwhile, Lane Kirkland, the AFL-CIO president, predicted that President Reagan would reverse his position and resume talks with air traffic controllers.

**Prepared for 200,000**

"We fully expected it," Mr. Kirkland said of the large response. "We were prepared to handle as many as 200,000."

Testing of applicants is to begin Oct. 15 and continue through the end of November. "Around the first of the year we will give the FAA a list of certified eligibles, and they can put them in the academy any time after that," he said.

He said there was no way to determine the quality of the applicants because the first step in the process requires them to provide only their names and addresses. They will be asked to complete more detailed forms before testing begins.

All applicants will be given aptitude and physical examinations. Those with the highest scores will be the first called to attend the FAA academy in Oklahoma City, Mr. Feldman said.

**Different Test**

The newest batch of applicants will be given a different examination from that taken by the 12,000 strikers. The government has rewritten the old test to make it more predictive of those who will succeed on the job.

Fred Farrar, an FAA spokesman, said plans to rewrite the test

have been in the works for nearly 20 years, but the government did not speed up the process because it had a full complement of controllers.

The new test, he said, is designed to lower the 30-percent

academy dropout rate.

The FAA academy — down to

42 students in July before the

strike — took in 144 students Aug.

11 and will add a second shift, a

class of 144, this week. By Oct. 1, a

third shift — with an additional

144 students — will begin.

**Golden Gate**

Golden Gate, which served Los

Angeles and 18 other Western cities,

had been losing money before the

strike. The resulting reduction in

passenger traffic increased losses

to \$40,000 a day and forced it to

close, company officials said, add-

ing that they hoped the line could

resume service in the future. Indus-

try observers, however, predicted

that would be difficult.

**Airline Hardships**

Golden Gate's two affiliated

airlines, Swift Air and Air Oregon,

will extend service to cities no

longer served by Golden Gate. Of-

ficials of other airlines also

also were considering taking over

some of Golden Gate's routes.

**Commuter Airlines**

Commuter airlines have been

hurt much more than major air-

lines by the controllers' strike.

Commuter airlines get their busi-

ness by providing quick, frequent

service for short distances. Flight

delays or cancellations caused by

the strike prompted some potential

passengers to take buses, auto or

other alternatives.

As further evidence of the hard-

ships caused by the strike, United

Airlines said Friday that it will lay

off about 2,100 of its 48,300 em-

ployees after the beginning of Sep-

tember.

United's layoffs of 800 flight at-

tendants and 1,300 ground em-

ployees raised to more than 14,000

the number of airline layoffs an-

nounced since the strike began.

United blamed the layoffs on

flight limitations caused by the

strike as well as generally reduced

traffic levels.

## Hassan's Offer of Vote in Sahara Seems to Bring Cooling-Off Period

By John K. Cooley  
*Washington Post Service*

### EL AAIUN, Western Sahara

"Amputate Morocco's Sahars" said Salek Zemrag, governor of this fast-growing frontier town. "and you cut off an arm. There's no life after amputation."

Gov. Zemrag and his Moroccan administration in El Aaiun, the capital of Saharan territory that Morocco acquired from Spain in 1975, profess no doubts that the referendum that King Hassan II of Morocco proposed in the territory would be overwhelmingly favorable to Morocco. They see the alternative — a separate Saharan state ruled by the guerrilla Polisario Front, which the Moroccan Army has been fighting since 1975

— as "amputation."

King Hassan's surprise offer, at an African summit conference in Nairobi in June, of a "controlled referendum" on the territory's future has cooled one of Africa's most vituperative disputes, at least for the present. It has also helped the king restore an enfeebled position of leadership among moderate Africans and among Arab states that share Morocco's friendship and alliance with Saudi Arabia, which supports Morocco but is also working for a solution.

Here in the Western Sahara's capital, where Morocco is investing hundreds of millions of dollars each year in the territory's rapid development, there is skepticism about the need for a referendum. Morocco insists that only the 74,497 inhabitants recorded in a Spanish census of 1974 should vote.

**Polisario's Demands**

The Polisario Front, whose self-declared Saharan Arab Democratic Republic operates a government-in-exile from its main base near Tindouf, Algeria, and another

Curfew, the planting of mines on roads, and night mortar or rocket attacks by Polisario infiltrators have ceased here since the spring.

Propaganda attacks by Morocco and Libya against each other have ceased. Ambassadors are being exchanged, a development worrying to Algeria. Morocco hopes that the generous flow of Libyan cash and arms to Polisario will now dry up.

Whether the road taken by King Hassan at Nairobi now leads back to renewal of the war or toward a real peace, may depend largely on the Libyan leader, Col. Moamer Qadhafi. Moroccan officials here believe there is a strong sense here that the Polisario's Algerian supporters have had enough of the war and the bitter divisions it has caused in Africa, and are seeking an honorable way out.

**Rapprochement Yields Results**

Col. Qadhafi's rapprochement with King Hassan, one of a series between usually hostile Arab leaders following Israeli air attacks on Iraq and Lebanon in June and July, has already yielded some results.

Propaganda attacks by Morocco and Libya against each other have ceased. Ambassadors are being exchanged, a development worrying to Algeria. Morocco hopes that the generous flow of Libyan cash and arms to Polisario will now dry up.

Although Libya is 700 miles away, it looms large in Moroccan projections. "Qadhafi is like an impatient child playing backgammon," said Bashir Abdien Monem, president of El Aaiun's municipal council. "He throws the dice and then he wants to take everything, whether he has really won or not. Maybe now he feels it is in his interest not to play the Sahara game for a while."

John K. Cooley, a senior associate at the Carnegie Endowment for International Peace, is a staff reporter on leave from the Christian Science Monitor.

## Russia Offers Conditional Afghan Pullout

*Reuters*

**MOSCOW** — The Soviet Union said Sunday that it would withdraw its troops from Afghanistan if the country's southern neighbors, Iran and Pakistan, accepted new settlement proposals put forward by Kabul.

The Communist Party daily Pravda said the proposals, announced last week, could lead to a political solution of the Afghan crisis if Iran and Pakistan accepted Afghanistan's demands that they end "armed interference in Afghan affairs" — a reference to anti-government guerrillas based largely in Pakistan.

"Then the reasons which com-

elled it [Afghanistan] to request

... the introduction of a limited

Soviet military contingent would

have disappeared," Pravda said.

"And the crisis that has been

brought about ... through imperialism would have been eliminated."

After previously insisting on

separate talks with Iran and Paki-

stan, Afghanistan now says it is

ready to hold trilateral talks on

conditions for a Soviet troop with-

drawal.

Neither Iran nor Pakistan have

expressed interest in the new pack-

age. Both countries refuse to recog-

nize the Soviet-backed Afghan

government and thus reject direct

talks with Kabul.

Diplomats said that Nikolai Fir-

yubin

## Liberia's Moves Against Critics Create Climate of Fear

By Leon Dash  
Washington Post Service

MONROVIA, Liberia — A climate of fear has taken hold in this West African capital following the most recent executions of purported coup plotters and the accumulation of unchallenged power by Liberia's military head of state, Samuel K. Doe.

As with other African military governments that take power promising the restoration of universal political freedoms, Liberia's pro-American government has become an authoritarian regime that reacts with mounting Draconian harshness to the mildest criticism or suspicion of dissent.

Even the rudimentary trials that characterized the early weeks of Commander in Chief Doe's 16-month-old government have been dropped in favor of hasty, secret trials before a special military tribunal. A student activist was recently put under a "banning" order similar to those used in South Africa, and the country's only independent daily newspaper was shut for 10 days when the publisher, his wife and nine of its staff were jailed for printing letters critical of the banning.

Those leading Liberians who are willing to discuss the country's human rights decline complain that the United States does not use the leverage it has with Mr. Doe's government to press for the respect of basic freedoms or steer this government toward returning power to the civilians. U.S. diplomats acknowledged that they are aware of these perceptions, but they added that they have less sway with the government here than their Liberian clients believe.

Since overthrowing the government headed by William R. Tolbert in April, 1980, Mr. Doe's government has revealed three alleged counter-coup plots, revelations that have raised fears about the future reliability of Liberia's 5,000-member army.

Significantly, the second countercoup plot followed the appointment on April 12 of a committee to draft a constitution — the first anniversary of Mr. Doe's coup. Although no timetable has been set, the appointment of the commission was seen as the only hopeful sign of an eventual return to civilian government, a development the plotters were apparently hoping to thwart.

### Reagan Picks Envoy To Peru and Romania

United Press International

SANTA BARBARA, Calif. — President Reagan has announced his intention to nominate David B. Funderburk, 37, a North Carolina history professor, to be ambassador to Romania, succeeding O. Rudolph Aggrey.

Mr. Reagan also announced Friday that he is nominating career diplomat Frank V. Ortiz, 55, to be ambassador to Peru.

Mr. Doe, who was a master sergeant at the time of the coup, has said several times that he and the ruling People's Redemption Council intend to return to the barracks "as soon as possible." But harsh measures taken by his government recently have led a large number of potential political leaders to despair that free elections will not be held anytime soon.

Of the Liberians interviewed, most of those who were critical of Mr. Doe's government declined to be identified out of fear of retributive government measures — a new development in Liberia.

A prominent intellectual nervously insisted that he talk with a reporter in the seclusion of a hotel room. A high-level bureaucrat arranged for a daytime meeting at his home — away from his office. A previously plain-spoken government official declined the offer of a lunch date conversation as being "too open."

The Redemption Council, with Mr. Doe as chairman, included all 17 of the original band of noncommissioned army officers and privates who overthrew Mr. Tolbert, as well as 10 other soldiers so all of Liberia's 16 tribes would be represented on the body. The council and Mr. Doe promised "dignity, equal opportunity, fair treatment and freedom of speech" to all Liberians, in contrast to the deposed government, which had been dominated by descendants of the 19th-century black Americans who founded the country.

Last year nine army officers accused of plotting to overthrow Mr. Doe were jailed on varying sentences. The second alleged plot, revealed in May, involved 13 soldiers who were tried and then secretly executed in early June. Three civilians were also arrested in connection with the May plot, beaten, found innocent and then released.

[Togba-Nah Tipoteh, who has resigned as Liberia's planning and economic minister, was branded by the government Friday as a defector and a deserter. Reuters reported from Monrovia. Sources said that Mr. Tipoteh, who was the most prominent civilian in the government, has been chairing a specific date for a return to civilian rule. Mr. Wessels had also charged, according to Mr. Doe, that government officials were "accumulating wealth that should not be accumulated" and had disrupted a meeting that Mr. Doe was chairing with Liberians from northeastern Grand Gedeh County, both men's home area.

According to Liberian sources, Mr. Wessels was roundly applauded at the meeting for offering a development proposal that was presented over one presented by Mr. Doe.

On his return from the Organization of African Unity summit in Kenya in July, Mr. Doe defused the growing confrontation between his government and university students by lifting his banning order and releasing Mr. Wessels and The Daily Observer staff from jail. At the same time, however, Mr. Doe warned the students that any future confrontations would lead to "severe consequences."

The Redemption Council "is not open to dissent" because they equate criticism with domestic turmoil that preceded their overthrow of Mr. Tolbert's government, said Patrick Seyon, vice president of the University of Liberia. "They see

criticism as opening up their downfall," he added.

Mr. Seyon, who was originally charged with two other civilians with plotting a counter-coup with the 13 soldiers executed in June, suffered a damaged kidney as a result of a three-day beating by soldiers but was released with the two others "for lack of evidence." A member of the constitutional commission, Mr. Seyon, like Mr. Wessels, was a vocal critic of the Tolbert government.

Mr. Seyon said commission members believe they can come up with a draft constitution by next April. He was asked if he felt the military government would honor its pledge to give control to civilians once a constitution is accepted. Mr. Seyon replied, "I have been accused of being a perennial optimist, but I think they will fulfill their end once we've fulfilled ours."

The constitutional commission members are very worried, however, about whether the public will come forward to testify at public hearings after "the chilling effect of my arrest, Wessels' arrest and the arrest of the Observer staff," Mr. Seyon said. "There is still an uncertain climate here."

### Council May Be Disbanded

MONROVIA (Reuters) — The Liberian government has warned that it may disband the commission set up to draft a constitution, the Liberian news agency said. The agency reported that the Redemption Council on Friday issued a decree stating that the it "may disband this commission when it fails to perform its duties within the scope of the decree."

state, which has angered the 11.4 million Sinhalese in the rest of Sri Lanka.

Extremists known as the Tamil Liberation Tigers have been held responsible for killing 21 Sinhalese policemen in the northern Jaffna district in recent years. Clashes in the Jaffna area in June resulted in a backlash in the south, with members of Mr. Jayewardene's ruling United National Party bringing a censure motion in Parliament against the opposition Tamil United Liberation Front.

Tamil leaders said two police officers on duty in Ratnapura's main street was still smoldering on Aug. 14, rumors reached the nearby plantation town of Kahawatta that trouble was on the way.

Officials, Tamil sources and independent social workers gave this version of what happened:

At about 11:30 a.m. more than 10 trucks and about 10 buses carrying gang members arrived at Kahawatta. A mob of more than 1,000 then systematically attacked about 40 Tamil shops and set them on fire. The Tamils took refuge in the mission house of nearby St. Anne's church.

At 4:30 p.m., a policeman who had been watching the shops burning shouted, "Come, we will kill the Tamils," and led part of the mob toward the church, despite protests from some senior Sinhalese community members.

The priest at St. Anne's pleaded with the crowd not to harm 30 children inside. They agreed. But gasoline bombs were thrown into a storage room where many people were hiding. Seven persons, were killed at Kahawatta, either from gunshots or beatings, officials said.

Mr. Jayewardene said that he was aware of the allegations against the police and that they were being investigated.

In July, posters began appearing on walls in Colombo saying:

"Alien Tamils, you have danced too much, your destruction is at hand. This is the country of us Sinhaltes." Tamil leaders claim the posters were inspired by radical el-

ements within Mr. Jayewardene's government and party.

The president said this week that the posters had been removed and that action was taken to prevent their publication under a state of emergency he declared Aug. 17.

He said the recent violence began with the killing Aug. 10 of two Tamils at a factory at Embilipitiya in Ratnapura, about 60 miles (96 kilometers) from Colombo. Three days later, Tamil shopkeepers in the main district town of Ratnapura were warned that their shops would be looted and burned.

Tamil leaders said two police officers on duty in Ratnapura's main street had been removed, the police and army had taken no action and no fire engine had been called while looting and arson went on for 18 hours. They said that, by the time the police stepped in at noon on Aug. 14, about 40 shops in Ratnapura, mostly Tamil-owned, were in ashes.

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Mr. Jayewardene said he knew of the incident. "I don't know how human beings can behave like that," he said.

**New Effort**

Mr. Jayewardene said his government has begun a new effort to root out what he called terrorism by well-armed Tamil guerrillas in the north. He wants the support of the opposing party, but Tamil opposition leader Marunge Sivashanmara said, "The government cannot expect us to become informants."

The party leader said that although the government had agreed to Tamil becoming an official lan-

guage and to equal job opportunities for the Tamils in the north and the 1-million Tamils of Indian origin in the south, these concessions remained largely on paper. Mr. Jayewardene said that the concessions were being implemented as quickly as possible.

Watching political developments from the sidelines is former Prime Minister Srimavo Bandaranaike of the Sri Lanka Freedom Party, who has expressed support for the Tamil party in the past.

Mrs. Bandaranaike, 65, was disenchanted in October for seven years after a presidential commission found her guilty of misuse of power during her second term as prime minister, from 1970 to 1977. Her party has been recently split.

Mr. Jayewardene, 74, a former lawyer, has been in power since 1977. General elections for Parliament are due in 1983 and presidential elections in 1984.

**Nevada Sees Way To Base Missiles**

*The Associated Press*

SANTA BARBARA, Calif. — Gov. Robert List has told President Reagan's chief aide that Nevada could accept a scaled-down deployment of the MX missile if it were kept on military land.

Gov. List met Friday with presidential counselor Edwin Meese III and said later that he had received a "fair hearing." The Republican governor said, "Our concern is that Nevada not be placed on the sacrificial altar for the national defense if it isn't necessary to put us there, and we don't think it is."

The original MX deployment plan conceived by the Carter administration for shutting 200 missiles among 4,600 shelters in Nevada and Utah so that an enemy could never be sure which shelter held missiles. That plan aroused strong opposition in the two states.

**Japan Plans to Create Extensive Sea Patrol**

*The Associated Press*

TOKYO — The Japanese Maritime Safety Agency has announced plans to set up an extensive sea surveillance system reaching as far as 1,900 kilometers (1,200 miles) from Japan into the Pacific Ocean.

The program would be completed in seven years at a cost of 100 billion yen (\$435 million).

The announcement Saturday coincided with moves by Japan to reinforce its naval forces. The Japanese Defense Agency said in its budget request for the next financial year that it was planning to buy 17 anti-submarine aircraft and build 10 ships, including a submarine and five missile-carrying destroyers.

**Bavaria Hotel Fire Kills 8**

*The Associated Press*

MUNICH — Eight persons died when a fire destroyed a northern Bavarian hotel Sunday at Ebermannstadt, in Upper Franconia.

The sleeping victims were overcome by smoke.

**Greatest Show**

Later he returned to India, "the greatest human show on earth" and toured Burma, Malaya and Afghanistan with Francis Yeats-Brown, who later wrote "Lives of a

man."

**China Considers Stricter Birth Control Law To Replace Unevenly Applied Measures**

*The Associated Press*

PEKING — China is considering a unified law to make birth control legally enforceable, according to an official educational, scientific and cultural newspaper.

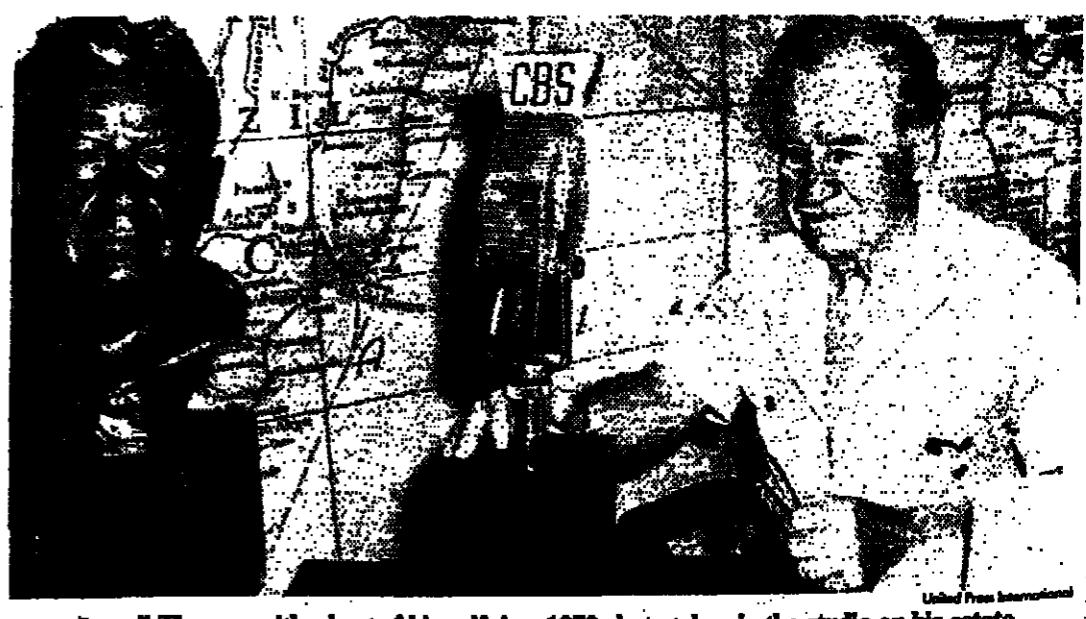
The country is trying to prevent its population of one billion from growing to 1.2 billion by the year 2000.

In a signed article proposing the new law, the Guangming Daily said Sunday that the present system of persuading couples to have only one child, backed by unevenly implemented fines and material incentives, was inadequate.

**Enormous Problem**

According to the latest projections, the government did not expect to achieve no population growth until the year 2040, when the population would be about 1.3 billion, the article said.

Some people would object to a new birth control law, maintaining



Lowell Thomas, with a bust of himself, in a 1979 photo taken in the studio on his estate.

## Lowell Thomas Is Dead of a Heart Attack; U.S. Radio Broadcaster, Traveler Was 89

*New York Times Service*

NEW YORK — Lowell Thomas, 89, the radio and television broadcaster, author and world traveler, died of a heart attack Saturday at his estate in Pawling, N.Y.

For almost 46 years, Mr. Thomas' calm and reassuring voice came over the radio every weekend with the same salutation, "Good evening, everybody." What followed was a nicely articulated, folksy, often bland digest of the day's news events, ending with, "So long until tomorrow."

In 1976, the nightly program that made Mr. Thomas the longest continually operating broadcaster in 70 billion."

Although Mr. Thomas called himself a news commentator, he was not an analyst. From his first broadcast, on Sept. 29, 1930, he presented the news in the manner of a father telling his large family about the great world beyond.

### Dinner Responsibility

"I am on the air when people are getting ready for dinner or are just having dinner, or are just finishing dinner," he said in 1970. "I never felt it was my responsibility to destroy the digestive system of the American people."

In the age of television, Mr. Thomas might have been expected to fade, yet his audience did not diminish significantly. He died on television, but decided it was not his medium.

Shortly after his nightly news — he edited most of his own broadcasts — Mr. Thomas had notable careers as a world traveler, war propagandist, lecturer and author.

One of his feats in World War I was the "discovery" of Col. T.E. Lawrence — Lawrence of Arabia. Mr. Thomas created the legend of Lawrence as "the Prince of Mena" and conferred that title on him.

Tall and slim, Mr. Thomas looked the romantic role in which he so often cast himself. He had thick, curly brown hair, blue eyes and a pencil mustache.

### Life on Grand Scale

His life was on the grand scale, full of improbabilities and fulfilled ambitions. And he was all the more a figure larger than life because of his worldwide network of friends. These included kings, queens, premiers, generals, U.S. presidents, illustrious explorers and the Dalai Lama.

He was born April 6, 1892, in Woodington, Ohio. His family soon moved to Cripple Creek, Colo., a gold camp on the slope of Pikes Peak, where his father established a medical practice.

The first break in Mr. Thomas' career came in 1914, when he bought a movie camera and headed for Alaska. His material and lectures on the Klondike became so popular that Franklin K. Lane, secretary of the interior, invited Mr. Thomas to promote a "See America" campaign.

After the United States' entry into World War I, Mr. Thomas was commissioned officially by the government to go to Europe and then "tell the American people what we're up against." With his photographer, Harry Chase, he visited the Western front in Egypt. While in the Middle East he met Lawrence.

Back in the United States, audiences gobbled up Mr. Thomas' shows — he never called them lectures — on the fighting in the Middle East and Lawrence. After repeating his success in Britain, Mr. Thomas set off on a tour of the world with his show.

### Greatest Show

Later he returned to India, "the greatest human show on earth" and toured Burma, Malaya and Afghanistan with Francis Yeats-Brown, who later wrote "Lives of a

man."

**James Larkin Pearson**

NORTH WILKESBORO, N.C. (UPI) — James Larkin Pearson, 101, the North Carolina poet laureate, died Thursday of pneumonia. He was best known for his poem "Fifty Acres," in which he explained he did not need to travel because life's necessities were on his 50-acre tract at

## Tube Investments Hurt By Deflated Markets

By Elizabeth Bailey

New York Times Service

LONDON — When the TI Raleigh-Creda bicycle team finished a disappointing fourth in the Tour de France race last month, it was not only the cyclists who were disappointed. The team's sponsor, Tube Investments Ltd., would have liked some cause for celebration — no matter how small — at a time when the company was preparing to announce record losses.

Tube Investments owns TI Raleigh, the bicycle manufacturer, which accounts for the parent company's interest in the Tour de France. Less visibly, Tube Investments also owns companies that manufacture items ranging from primary aluminum to domestic appliances.

Only one of the company's six divisions — domestic appliances — is showing a clear profit. In results announced earlier this month,

"Is this a temporary flood of imports, or does it represent a permanent change?" Sir Brian asks.

The conglomerate showed a pretax loss of £13.9 million. When the £9.4 million profit on the sale of the company's London headquarters is taken into account, the situation looks even worse. TI Raleigh's president, Ian Phillips, was dismissed two weeks before Tube Investments announced its results.

## Bicycle Sales Off

Tube Investments faces a simple but vexing problem. Most of its activities center on the basic manufacturing industries, which have been hurt most deeply by Britain's current recession.

The company's dismal showing in the Tour de France may have been a blow to corporate pride, but the losses in the bicycle division are much more serious. TI Raleigh, which accounts for about 15 percent of total group sales, lost more than £7.2 million in the first six months.

TI Raleigh, the company contends, is still the largest manufacturer of bicycles and parts in the world. The bicycles, however, have been badly hit by competition from cheaper imports in Britain, where the company's market share has collapsed from 65 percent two years ago to under 40 percent recently.

"Is this a temporary flood of im-

ports, or does it represent a permanent change?" Sir Brian asked, TI's 59-year-old chairman, in an interview.

Outside of Britain, bicycle sales are also doing poorly. Sales in Nigeria and Iran, two important growth areas for the company, have been flat, while exports to the United States have fallen to well under 100,000 a year from a peak in the mid-1970s of 500,000.

Questions about the future of Tube Investments extend beyond the bicycle business.

"There's nothing really in the whole conglomerate that you can put your finger on and get excited about," said Richard Saville of the London brokerage firm Phillips & Drew.

British Aluminum, a 58-percent-owned subsidiary that accounts for almost 30 percent of Tube Investments' sales, lost more than \$4.4 million in the first six months. Low spot prices for aluminum and a general oversupply of the metal are cited as reasons for the poor performance.

In the last two years, Tube Investments has taken several steps to trim costs. The company has cut employment rolls in Britain by nearly a quarter to 40,000, and some 10,000 of those remaining are on three- and four-day weeks.

## Dividend Cut

Brian sold Bridgewater House, the elegant mansion that had served as the company's London headquarters, and moved into a spare, anonymous office in the shadow of London's Dorchester Hotel. Bridgewater House went to John Latsis, the Greek shipowner.

Tube Investments also cut its dividend by one-half last spring.

"While TI has done a great deal to increase efficiency, there hasn't been a clear strategy," said Ewan Fraser, an engineering analyst at James Capel & Co., a London brokerage firm.

The company, however, said it had begun a shift that could make it more profitable. "It is now clear that companies in industrialized countries must move into more sophisticated products and out of the basic industries — which we are trying to do," Sir Brian said.

As an example, he pointed to the company's recent \$46 million acquisition of King Fifth Wheel, a U.S. producer of specialized aircraft engine rings.

"That's a sensible move," Mr. Fraser said, "but the company has been, in general, slow in upgrading its profile."

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"Is this a temporary flood of im-

## Foreign Bankers Hoping to Cash In On Portugal's Plan to Open Market

By Paul Lewis

New York Times Service

LISBON — Portugal, the last country in Western Europe still off-limits to foreign bankers, is finally planning to open its frontiers. And there is a long line of bankers from the United States and elsewhere waiting to get in.

Foreign bankers have never been popular in Portugal. The country's two strong-man rulers, Antonio de O. Salazar and Marcelo Caetano, distrusted them, although they tolerated limited operations by the Bank of London and South America, Banco do Brasil and Credit Franco-Portuguese.

The Marxist officers who overthrew the dictatorship in 1974 left these banks alone, but nationalized the nine Portuguese-owned institutions. And the constitution of 1976, the country's first as a democracy, gave the government an "irreversible" monopoly in banking and insurance.

## No Alternative

The center-right coalition government that came to power last winter is determined to change all this and open up Portugal to private banks, both Portuguese and foreign-owned. Earlier this month, the chances of doing so improved considerably when Francisco Pinto Balsemão, then Portugal's ninth prime minister in seven years, pulled off a neat political maneuver.

Under fire from his own right wing, the 42-year-old former newspaper editor resigned, and was then promptly invited to re-

turn after his critics failed to produce a credible alternative. The incident appears to have strengthened Mr. Balsemão's own position and should provide the political stability he needs to push through his plans to revise the country's constitution and end the government's monopoly in banking.

"This was a political crisis to end political crises and allow us to get on with liberalizing the economy," said Fernando Tavares Rodrigues, a close aide to Mr. Balsemão.

Watching these political moves closely are the representatives of the 15 or so foreign banks that have established representative offices in Lisbon in recent years. An equally attentive spectator is Manuel Jacinto Nunes, the governor of Portugal's central bank, who would regulate the foreign banks if they were allowed in.

## Being There

Citibank, Manufacturers Hanover, Chase Manhattan and Bankers Trust are among the U.S. banks that have recently opened offices in Lisbon, along with Barclays of Britain and Banque Nationale de Paris and Credit Commercial et Industriel of France. Applications are pending from several West German and Japanese banks.

In addition, a representative office was recently opened by the Brazilian and Swiss banking interests of the Espírito Santo family, which before the revolution controlled the Banco Espírito Santo e Comercial, Portugal's third-largest bank.

The representative offices that foreign banks set up in Lisbon help their head offices



Manuel Jacinto Nunes

...Caution that the change will gradual

lead to Portuguese companies and provide economic data for big clients. But as Antonio Vargas Carvalho, who runs the Chase office, put it: "The main reason for being here today is that when Portugal allows foreign banks to start branch banking, priority will

(Continued on Page 9, Col. 1)

## McDonnell in Line For CX Contract

By David Shribman

New York Times Service

WASHINGTON — McDonnell Douglas has been selected as the prime contractor for the controversial CX cargo aircraft should the Pentagon decide to go ahead with the project.

The plane would serve as transport for the U.S. Rapid Deployment Force.

Air Force Secretary Verne Orr would not specify a cost figure Friday, but if the wide-bodied aircraft, designed to land on the rugged terrain of the Middle East and Southwest Asia is built, the bill could run as high as \$12 billion.

Friday's decision is only an initial step in responding to the U.S. airift capability problem. The Pentagon has not made a commitment to build the CX, and the Air Force still is evaluating a number of other transport possibilities, including conventional passenger aircraft to accommodate heavy military equipment such as tanks.

The CX has been an object of controversy since its conception. More than a year ago, the House Armed Services Committee voted to authorize \$80.7 million in research funds for the CX fleet, fearing the plane would drain funds away from other military projects to Congress.

Then, last October, the General Accounting Office raised new doubts about the aircraft, questioning whether the CX would be large enough to carry the XM-1. Meanwhile, Lockheed-Georgia president Robert J. Ormsby Jr. said his company could restart production of the C-5A for as little as \$300 million.

The CX fleet may eventually number 200 aircraft, with the first model expected in 1986. In June, Gen. Robert E. Huyser of the Military Aircraft Command said the United States is "woefully short" in swift transport capacity and he added, "The answer is the CX. Any substitute would compound the problem."

The Air Force also contemplates using the CX in the event of having to support a NATO conflict as well as what it describes as "other contingencies worldwide."

The CX would measure 171 feet in length with wingspan of 165 feet. It would be powered by four Pratt & Whitney JT10D engines with 37,000 pounds of thrust each.

The aircraft would be operated by the Military Airlift Command and would be in full operation in the early 1990s.

## Money Supply Data May Help Dollar Sector

Carl Gewirtz

International Herald Tribune

downward revision of the previous week's figures, M1-B over the latest four weeks now registers a 0.9-percent rate of decline from the 1.5 weeks before and puts the figures well within the Fed's target

## EUROBONDS

growth rate of a 7-percent annual rate in the June-September quarter.

In addition, the rate on federal funds in New York ended the week at 16 percent after trading as low as 14 percent Friday afternoon. Welcome as that decline is, after starting the week at 18 percent, the erratic performance of

this key interest rate is sowing considerable confusion.

Nevertheless, the drop in the money supply and the decline in the fed funds rate left many New York analysts speculating late Friday about an imminent reduction in the Fed's four-point surcharge on borrowers who make frequent use of the discount rate, which is at 14 percent. Such a move would confirm that the Fed is actively using its tight credit policy.

While all this portends bad news for the dollar, which has been buoyed by very high short-term interest rates, it is good news for bond dealers. They can hope that investors will rush to buy high-yielding paper. Dealers can also begin to build up their own inventories of bonds as costs to finance these holdings — overnight money — drops significantly below the interest income to be earned on those bonds.

The dollar fell sharply in New York Friday in the wake of the latest news. It ended at 2,4358 Deutsche marks, down from the 2,4512 DM quoted at the close of European trading Friday and well below Thursday's New York close of 2,4768 DM. On the other hand, bond prices in New York surged in late trading — erasing most of the week's decline that had lifted yields to record highs.

But before reaching for the telephone to place orders to buy bonds, note these caveats:

Even if all of Friday's events prove to be a signal for an easing in the Fed's tight-fisted policy, vir-

tually all analysts are agreed that a major decline in short-term interest rates is not likely to be carried over to the bond market. Medium- and long-term interest rates are expected to remain high as borrowers who have been shut out of the very thin bond market rush to float new issues. In addition, New York bond market rates will be kept high by the large borrowings scheduled by the U.S. government, and Eurobond rates will not be able to move far out of line with those in New York.

Equally important to keep in mind is that one week's favorable trend in the money supply and short-term interest rates does not necessarily portend a continuation the following week. In addition, the worries that fed last week's gloom in the bond markets — that the U.S. federal deficit is drastically underestimated, that the tax cuts will result in a consumer spending spree rather than a boom in productive investments and that inflation remains feverishly high — remain as valid this week as they were last week.

All of that said, the late week developments should be a boon for the two straight Eurobonds announced last week.

The best received of these was the \$150-million, seven-year offering from Cities Service, whose U.S. debt is rated single-A. The oil and chemical company is offering a coupon of 17 percent. Pricing, set for Wednesday, will be no less than 99 1/2 more than par, lead

(Continued on Page 9, Col. 1)

This announcement appears as a matter of record only.



## Ireland

FF 500,000,000

Loan Facility

Managed by

Crédit Commercial de France

Provided by

Arab Bank Limited, Paris Branch

Banca de Bilbao S.A.

Banque Bruxelles Lambert S.A.

Banque Européenne de Crédit (BEC)

Banque Nordeurope S.A.

Barclays Bank S.A., Paris

Crédit Commercial de France

Daewoo Europe N.V.

ITCB Asia Limited

Rabobank Nederland

SFE Banking Corporation Limited - SFE Group

The Investment Bank of Ireland Limited

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June 26, 1981



## Decline in U.S. Money Supply Could Help Perk Up Dollar Sector

(Continued from Page 7)

anager Credit Suisse First Bos ton announced.

Although the size of the loan was considered by many bankers to be an impediment, the coupon is the highest ever paid in this market by a borrower of this standing. Public Service of New Hampshire recently offered a coupon of 17 percent, but the utility's unsecured U.S. debt is rated a much inferior double-B.

Bankers considered the Cities Services coupon to be "great value" and that only criticism aside from the size of the issue was the rather poor call protection. The borrower can prematurely redeem the issue — which presumably would be done when rates fall — after four years at a penalty premium of 101%, meaning it would pay \$1,015 for each bond having a face value of \$1,000. The premium drops to 100% in the fifth year.

This represents a two-fold disadvantage to investors: There is a real chance the call provision will be exercised and that threat will limit the potential capital gain investors can hope for. If interest rates fall sharply, a bond paying 17 percent could easily be worth 20 percent more than its face value because as the price of a bond rises, the yield declines. But the ever present danger that the issue will be called at 101% will limit the premium investors are willing to pay for such paper.

This is also true for the \$100 million, seven-year issue floated by the European Investment Bank, which was sold at par bearing a coupon of 16½ percent — a record high for a triple-A rated borrower in this market. This issue can be redeemed after the fourth year at a price of 100%.

**Novel Marketing**

The new issue was marketed in a novel way: 120 banks were invited to participate and were told that they would be accorded (high status) as underwriters depending on the amount of bonds they sought. The amount needed to qualify for entry into either category was not specified by lead manager Union Bank of Switzerland. In addition, UBS announced that managers would be listed in subsequent public advertisements (so-called tombstones in financial publications) in order of amounts subscribed rather than the traditionally more anonymous alphabetical order. Underwriters will be listed alphabetically.

Further, banks had less than 24 hours to reply. This procedure was not to everyone's liking. The reply time was deemed too short to allow banks to sound out the buying interest of potential clients. Further, some bankers said they base their decision on whether to participate in such issues, which tend to be difficult to place, on the strength of the management group being organized. In this case, that would not be known until after the fact.

And others claimed that listing managers by size of commitment risked adding a further destabilizing element to marketing of new issues.

A frequently heard complaint is that banks with inferior placement capacities scurry to become co-managers so as to appear in tombstones and gain whatever glory there is to be had from the subsequent advertisements. (These banks then dump the bonds they cannot place in the secondary market, trying to get out of their commitment as quickly and profitably as possible but creating great disturbance in the secondary market.) Listing managers by size of de-

mand; critics argue, risks encouraging poor placers to inflate their demand so as to appear at the top of the list — and to aggravate the subsequent disarray in the secondary market.

UBS reported that 21 banks joined it in the management group (described by one competitor as looking like scrambled eggs) and that another 25 to 28 would be accepted as underwriters.

The bonds opened trading Friday on a when-issued basis at a discount of 98, lifting the yield to 17 percent. This was in line with the yield on some outstanding EIB paper and also a reflection of worries that the EIB, which has filed papers with U.S. authorities for an offering of up to \$500 million, could shortly issue paper in New York carrying a much higher coupon.

The criticisms notwithstanding, the issue was completed in 24 hours and UBS said it had to cut back managers' allotments by 25 percent.

The market for convertible bonds is flooded by Japanese issuers. The coupons, London-based bankers report, have more to do with the domestic rivalries between issuers and between managers than with the state of the market. Overall, bankers question the capacity of the market to absorb the current volume when for the past seven weeks foreign investors have been net sellers of stocks in the Tokyo market. Among the issuers:

• Toshiba is offering \$100 million of 15-year bonds convertible into shares listed on the Tokyo Stock Exchange at an anticipated premium of 98%.

• Minolta Camera, \$50 million of 15-year, due 1996. Originally expected to carry a coupon of 5½ percent, a coupon of 3 percent is now indicated. The bonds will be convertible into the camera company's shares at an anticipated 5 percent premium.

• Sumitomo Metal Industries, \$50 million of 15-year bonds bearing a coupon of 5½ percent (reportedly down from an initially planned 5¾ percent) and convertible into the company's shares at an anticipated premium of 5 percent.

• Minolta Camera, \$50 million of 15-year, due 1996. Originally expected to carry a coupon of 5½ percent, a coupon of 3 percent is now indicated. The bonds will be convertible into the camera company's shares at an anticipated 5 percent premium.

• Sanyo Electric is offering \$100 million of 15-year convertibles, also bearing a coupon of 5 percent and convertible into shares of the electronic-products company's shares at an anticipated premium of 5 percent.

• Fujitsu Fanuc Ltd., a manufacturer of control systems, is seeking \$30 million for 15 years offering a coupon of 5 percent and convertible into its Tokyo-listed shares at an anticipated 5-percent premium.

• Jaccs Co., one of Japan's largest consumer credit companies, is raising \$25 million for 15 years, offering a coupon of 5½ percent and convertible into shares at an anticipated premium of 5 to 7 percent.

• Setima Paperboard is set to launch a \$30 million, 15-year convertible issue.

Nippon Chemi-Con Corp. increased the size of its 10-year convertible Eurobond to \$25 million from the initially indicated \$20 million and cut the coupon to 5 percent from the indicated 5½ percent.

The conversion price was fixed at 91½ yen, representing a conversion premium of 5.39 percent over the closing Tokyo stock

price. The exchange rate was set at 229.90 yen per dollar.

In the floating rate market:

• Credit Foncier de France, carrying the guarantee of the French government, is offering \$75 million of seven-year floating rate notes with interest set at a quarter-point over the average of the bid and offered rate of the six-month interbank rate.

• Korea First Bank plans to issue \$30 million of eight-year floating rate notes in London, the first such issue by a South Korean commercial bank. Interest will be set at a quarter-point over the London interbank rate.

• Cofin, a financial subsidiary of the Italian state holding company IRI, plans to offer \$175 million of eight-year floating rate notes. Interest is to be set at ¼ point over the London interbank rate for the first four years and ½ point over thereafter.

• Arab Banking Corp. will be lead manager of the issue.

• Industrias Resistol, a Mexican chemical company 39-percent owned by Monsanto, is issuing \$40 million of seven-year floating rate notes with interest set at ¼ point over the London interbank rate for the first four years and ½ point over thereafter.

• Hydro Quebec will offer 40 million European Currency Units of seven-year notes this week. The coupon — which had been expected at 14 percent but which might be set at 14½ percent — will be announced Monday.

In the Mideast, Eurofinas is planning to float an eight-year issue of 6 million Kuwaiti dinar. The Swedish Export Credit is raising 7 million dinar through a five-year

million of seven-year floating rate notes with interest set at ¼ point above the London interbank rate and guaranteed to not fall below 9 percent. Merrill Lynch is lead manager.

• In Singapore, Banque de Paris et des Pays-Bas is raising \$30 million through an issue of five-year floating rate certificates of deposit. Interest will be set at 3/16 point above the six-month Singapore interbank offered rate.

The Deutsche mark sector remains disabled by the high and still rising level of domestic rates. Yields for five-year promissory notes (bundesobligationen) were raised to 11.49 from 11.22 percent at midweek.

A 10-year issue for the federal government is scheduled to be launched this week but may be held back, bankers report, because of the government's unwillingness to accept the 11-percent coupon that bankers say would be needed to sell the paper.

Against this background, Quebec's 10-year, 150-million

Deutsche mark Eurobond, priced at 98 bearing a coupon of 10½ percent to yield 10.92 percent, ended the week at 96½ for an effective yield of 11.35 percent. And an issue scheduled by Westdeutsche Landesbank for a non-European bank has been postponed.

Elsewhere, Hydro Quebec will offer 40 million European Currency Units of seven-year notes this week. The coupon — which had been expected at 14 percent but which might be set at 14½ percent — will be announced Monday.

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Eurobond Yields\* Week Ended Aug. 26

International institutions	15.26 %
Industrials, long term	16.04 %
Canadian dollars, medium term	16.53 %
French fr. medium term	18.07 %
Unit of acc. long term	11.39 %

Market Turnover Week Ended Aug. 28 (Millions of U.S. Dollars)

Total	Dollar Equivalent
Cedi	757.4
Eurocl.	3,120.5 3,801.1 314.9

## BEAT INFLATION GUARANTEED

DOLLAR (Can.)	19	%
PESETA (Span.)	19	%
DOLLAR (U.S.)	18.50%	
STERLING (S)	15.75%	
FRANC (French)	17.50%	
MARK (Deutsch)	12.75%	
FRANC (Swiss)	7	%

- Minimum deposit equivalent \$300.
- Withdrawal in any amount can be effected on maturity of the agreed notice.
- Interest paid or credited half yearly.
- Amount quoted is based on 1 year fixed time deposit.
- All interest paid is net and without deduction (taxes, etc.) at source.
- All transactions confidential.
- Deposits are unconditionally guaranteed.

Write to Manager for further information.

## Competition for Asian Loans Reduces Costs of Borrowing

(Continued from Page 7)

and the slump in sales. Nevertheless, a \$500-million note facility being arranged by American Banking Co. is taking rather long to put together.

Banks are being asked to underwrite up to \$50 million each. The notes will be marketed as six-month instruments bearing interest at ¼ point over Libor. The denomination of the notes and method of marketing will be established when the syndicate is put together.

Managers will earn a participation fee of 17/32 percent. In addition, Pemex will pay banks an annual drawdown fee of ½ percent or, if unknown, a commitment fee of ¾ percent.

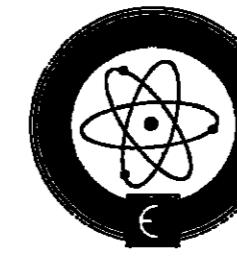
Meanwhile, BNDE, Brazil's national development bank, is seeking a medium-term, \$100-million Eurocredit for eight years at a margin of 2½ points over Libor and the cities of Sao Paulo and Rio de Janeiro are said to be waiting to tap the market.

Most attention is now focused on Venezuela, which has finally enacted legislation permitting the government to raise medium-term foreign currency loans. It has authorized to borrow up to \$14 billion, with no less than \$1 billion to be borrowed by end 1983 and the total no later than end 1985. A jumbo loan of \$1 billion or more is expected to be launched in the next few months.

Yugoslavia is currently trying to arrange loans of \$150-to-\$200 million from national syndicates of French, West German, British and U.S. and Canadian banks.

The only operation of any size in Africa will be coming for Kenya, which is seeking \$100 million for up to eight years and is likely to pay a margin of 1 point over Libor, bankers report.

This announcement appears as a matter of record only



## European Atomic Energy Community (EURATOM)

Dfls. 75,000,000  
12½ per cent. Bonds 1981 due 1987/1991

Annual coupons September 15

Algemeene Bank Nederland N.V.

Amsterdam-Rotterdam Bank N.V.

Bank Mees & Hope N.V.

Pierson, Heldring & Pierson N.V.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

Nederlandse Middenstandsbank N.V.

Bank der Bondssparbanken N.V.

Dresdner Bank Aktiengesellschaft

Kredietbank S.A. Luxembourgeoise

Kuwait Investment Company (S.A.K.)

Société Générale

Swiss Bank Corporation International Limited

August, 1981

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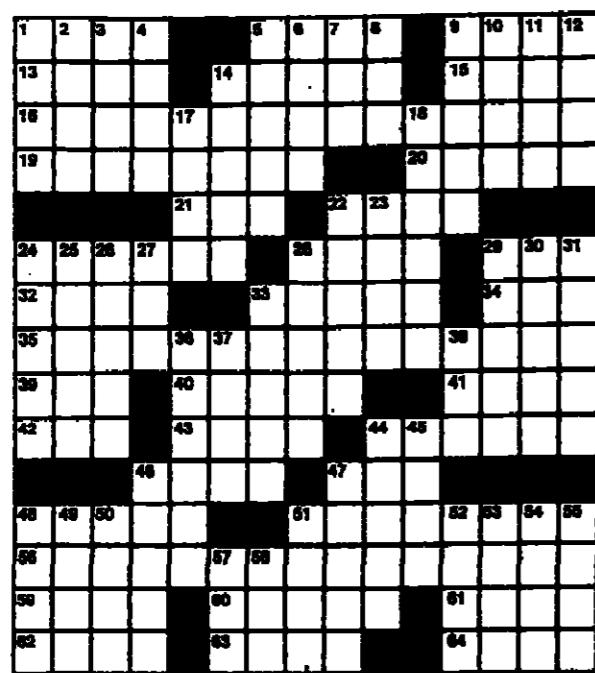
THE





## CROSSWORD

By Eugene T. Maleska



**ACROSS**

- Weight allowance
- Fen plant
- Surrealist painter
- Persian poet
- Drying device
- Hopscotch
- Hopper was one
- Slanders
- Santa — Race Track
- Poetic contraction
- Get along
- Friends with foes
- Fine fur
- Fruit seed
- Siberian stream
- Island, Canada
- Epoch
- William Allen White was one
- Corrode
- Divine
- National League team
- Work busily
- Blow
- Turned over
- Payments to psychiatrists
- O.T. book
- City NW of Genoa
- Lake Michigan port and resort

**DOWN**

- Clothing for Cassius
- Disney's inventive mouse
- Carpentry tool
- Kitchen utensil
- Olympian lad
- Wriggly swimmer
- Actress Joanne
- Metaphysical poet
- Others, to Ovid
- Postmaster
- Greek letter
- Church sections
- Shipment to Pittsburgh
- "Little Miss Shirley Temple film
- Derby entry
- Grantland Rice et al.
- Tiny bit
- Foodie
- Thomas Mama's daughter
- Eagerly expectant
- Ancient city
- Strip
- Down
- Again
- Rest
- Cycle
- Singletons
- Sinking ship's deserter
- Having some source
- four (small cake)
- ... Alice Blue Gown musical
- Reduced
- Showy flowers
- Global area
- Old Norse poem
- Tourist haven
- Church law
- Eaten
- Amiable
- Terse
- Garment part
- Amocrat
- snuff (satisfactory)
- Follower of ball or sun
- Ancient Asian
- South African native village
- Cicada's cranium
- Where Tralee is
- Spot
- A sugar source
- Anemone (perennial plant)

## WEATHER

	HIGH	LOW		HIGH	LOW
	C	F		C	F
ALGARVE	22	75	117	63	Fair
ALGIERS	22	75	117	63	Fair
AMSTERDAM	22	75	117	63	Fair
ANKARA	22	75	117	63	Fair
ATHENS	22	75	117	63	Fair
AUSTRALIA	22	75	117	63	Fair
BANGKOK	22	75	117	63	Fair
BERIKUT	22	75	117	63	Fair
BELGRADE	22	75	117	63	Fair
BERLIN	22	75	117	63	Fair
BOSTON	22	75	117	63	Fair
BRUSSELS	22	75	117	63	Fair
BUCHAREST	22	75	117	63	Fair
SUDAPEST	22	75	117	63	Fair
BURGOS AIRS	22	75	117	63	Fair
CAIRO	22	75	117	63	Fair
CASABLANCA	22	75	117	63	Fair
CHICAGO	22	75	117	63	Fair
COPENHAGEN	22	75	117	63	Fair
COSTA DEL SOL	22	75	117	63	Fair
DAMASCUS	22	75	117	63	Fair
DUBLIN	22	75	117	63	Fair
EDINBURGH	22	75	117	63	Fair
FLORENCE	22	75	117	63	Fair
FRANKFURT	22	75	117	63	Fair
GENEVA	22	75	117	63	Fair
HELSINKI	22	75	117	63	Fair
HONG KONG	22	75	117	63	Fair
HOUSTON	22	75	117	63	Fair
ISTANBUL	22	75	117	63	Fair
JERUSALEM	22	75	117	63	Fair
LAS PALMAS	22	75	117	63	Fair
LIMA	22	75	117	63	Fair
LISBON	22	75	117	63	Fair
LONDON	22	75	117	63	Fair
LOS ANGELES	22	75	117	63	Fair

Readings from the previous 24 hours.

## RADIO NEWSCASTS

BBC WORLD SERVICE

News of 0000, 0200, 0400, 0600, 0800, 1000, 1200, 1400, 1600, 1800, 2000, 2200, 2300 GMT					
Western Europe	25	11.750	11	25.000	41
25	11.750	11	25.000	41	2.144
403	11.750	11	25.000	41	9.746
47	11.750	11	25.000	41	11.600
48.5	11.750	11	25.000	41	12.070
49.5	11.750	11	25.000	41	12.500
51	11.750	11	25.000	41	12.500
52	11.750	11	25.000	41	12.500
53	11.750	11	25.000	41	12.500
54	11.750	11	25.000	41	12.500
55	11.750	11	25.000	41	12.500
56	11.750	11	25.000	41	12.500
57	11.750	11	25.000	41	12.500
58	11.750	11	25.000	41	12.500
59	11.750	11	25.000	41	12.500
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108	11.750	11	25.000	41	12.500
109	11.750	11	25.000	41	12.500
110	11.750	11	25.000	41	12.500
111	11.750	11	25.000	41	12.500
112	11.750	11	25.000	41	12.500
113	11.750	11	25.000	41	12.500
114	11.750	11	25.000	41	12.500
115	11.750	11	25.000	41	12.500
116	1				

## 'Anything That Starts With 4 Is Slow'

New York Times Service

**NEW YORK** — One opinion that has been held here too long to be lightly dismissed is that if God had intended man to run he would have given him four legs or at least made him late for a bus.

To be sure, speed afoot might have been useful to some of the young ladies pursued by Jack the Ripper, but unnecessary running is a crime against nature. This goes for the joggers who clutter our country roads and infest our parks and young men like Sebastian Coe and Steve Ovett who perform publicly in their undies.

By breaking the world record every few days, those two Linseys are making a mockery of the mile race, which has been traditionally the core and kernel of any track meet. Mention the Millrose Games, and the discussion automatically turns to the Wanamaker Mile; as early as the 1932 Helsinki Olympics, the 1,500 meters was described by the French sporting paper, "L'Equipe," as the "bombe atomique" of the Games.

### Popular With the Masses

Incidentally, when the bombe went off, little Josie Barthels of Luxembourg was catapulted to the front and the victory so transported him that upon climbing to the winner's stand he buried his face in the bosom of a big American kid named McMillan, who had finished second, and blubbed willy about "My little country."

Today a world record endures for a week or less and the guy who breaks it can call his shot in advance, as Ovett did the other day in Koblenz, West Germany.

Still, slapping the event around with consummate disrepect has not made it unpopular with the masses. More than 22,000 buffs, considerably more than Oberwurth Stadium can handle, saw Ovett chip a piece off Coe's shiny new standard. Nearly 50,000 saw Coe on Friday.

### RED SMITH

feet in four minutes. In 1864 one Charles Lawes of Britain had gone the distance in 4 minutes 56 seconds, and 90 years later Sweden's Gunner Hagg had lowered the record to 4:01.4.

May 6, 1954, five days after Determine won the Kentucky Derby, was gray and drizzly at Oxford but Bannister knew that if he waited for ideal weather in that blessed plot, that earth, that realm, that England, hardening of the arteries could set in first. So he ran, and the stopwatches read 3:59.4.

A month later John Landy did 3:58 flat and took the record to Australia but in the Empire Games that August Bannister beat Landy in 3:58.5 with the Aussie also under four minutes. John's time was 3:59.6. The floodgates were open. Britain's Derek Ibbotson was the next to break the record, then came Herb Elliott of Australia, Peter Snell of New Zealand, France's Michel Jazy, Jim Ryun of the United States, who lowered the mark twice, Filbert Bayi of Tanzania and John Walker, New Zealand.

Walker made 3:49.4 in 1975. That stood for five years, and then along came Coe and Ovett to exchange the record five times, three times in the last two weeks. Coe broke Walker's record and Ovett broke Coe's. On Aug. 19 this year, Coe took it back with a mile in 3:48.53 in Zurich; and exactly seven days later Ovett did 3:48.40.

Ovett held the record for two days. On Friday in Brussels, Coe snatched it back with a mile in 3:47.33.

Until recently, human timers worked events like this, hoping that each of them would hit his watch at the starting gun and hit it again at the exact moment the winner reached the tape. They measured time in tenths of a second and when they were lucky several timers got the same time down to a fraction.

Now an electric timer does the work, depending on the starting gun to activate the gismo and the winner to break a beam at the finish. This presumably accurate device splits times down to hundredths instead of tenths and can spot a winner that no human eye could detect.

No doubt this is a step forward, if anybody cares. When it comes to the difference between 3:48.53 and 3:48.40, the attention span here is measured in thousands of a second.

### Obviously Psychological

Much more interesting than the numbers is the mental attitude involved. It doesn't make sense that scores of milers since 1954 have been faster than all the milers who preceded them in human history. It is obvious now that the barrier was psychological rather than physical.

For a millennium or two, nobody ran a mile in four minutes for the excellent reason that it was impossible. (To be sure, Glenn Cunningham says now that he broke four minutes in practice in high school and he and his coach kept it a secret, but that's no part of recorded history.) Then Roger Bannister showed that it was not impossible, and it was like divine revelation. Suddenly it got to be like this:

Jesse Abramson, covering a Boston track meet for The New York Herald Tribune, was in a taxi with a colleague and they were discussing runners and their times. The cabby spoke up:

"Anything that starts with four," he said, "is slow."



Sebastian Coe  
...reclaiming the mile in Brussels.

## Prost Captures Dutch Grand Prix

The Associated Press

**ZANDVOORT**, Netherlands — Alain Prost of France, in a turbocharged Renault, fought off a late charge by Alan Jones of Australia Sunday to win the Dutch Grand Prix.

Nelson Piquet of Brazil passed Alain and took second place in his Brabham to move into a tie for the World Drivers Championship with Carlos Reutemann of Argentina. Each has 45 points.

Reutemann collided with Jacques Laffite of France in a Talbot-Ligier, another title challenger, while trying to pass the Frenchman and climb into fourth place. The collision put both out of the race.

### Many Casualties

Jones, in third, was the only other driver to finish on the same lap as Prost and Piquet in a spectacular car-crushing race, in which a first-corner chain of accidents eliminated five cars.

Among the crash victims was Mario Andretti, running back of the field in an Alfa-Romeo. The American escaped unharmed in a major crash when a tire blew.

Prost's time for the 190.224-mile race was 1 hour, 40 minutes, 22.43 seconds, at an average speed of 113.644 mph (182 kph).

"Jones passed me when I was overtaking a back runner and I missed a gear, coming on to the pit straight," Prost said. "But he wasn't looking in his mirrors, I drafted him, and overtook him again braking for the tight corner. Jones is very tough, but a very clean fighter."

It was Prost's second Grand Prix victory. He previously won the French race.

The Jones incident was the only time Prost was headed from his pole position start. It was a welcome return to victory for Renault after losing five races when on the pole.

Immediately, or from damage within a few laps, the first corner incidents knocked out several cars. They included the Ferraris of Gilles Villeneuve and Didier Pironi; the Talbot-Ligier of Patrick Tambay and the Arrows of Ricardo Patrese.

The race was watched by some 70,000 spectators in fine weather, boosting the weekend attendance to more than 100,000. The next race is the Italian Grand Prix at Monza, Sept. 13.

**DUTCH GRAND PRIX**

1. Alain Prost, France, Renault Turbo.  
2. Nelson Piquet, Brazil, Brabham, 8.24 seconds.  
3. Alan Jones, Australia, Williams, 35.51.  
4. Hector Rebaque, Mexico, Brabham, one lap.  
5. Elio de Angelis, Italy, Lotus 87, one lap.  
6. Elio Salazar, Chile, Epsilon, one lap.  
7. Riccardo Patrese, Italy, Williams, one lap.  
8. Marc Surer, Switzerland, Theodore, 1 lap.  
9. Michele Alboreto, Italy, Tyrrell 011, 1 lap.  
10. Slim Borgudd, Sweden, Ates 4.0 km.

**FORMULA-1 STANDINGS**

1. Carlos Reutemann, Argentina, 45 points.  
2. Nelson Piquet, Brazil, Brabham, 8.24 seconds.  
3. Jacques Laffite, France, 34.  
4. Jones, 31.  
5. Gérard Larrousse, France, 21.  
6. John Watson, Britain, 21.  
7. René Arnoux, France, 11.  
8. Heinz Harald, Mexico, 11.  
10. Riccardo Patrese, Italy, 10.  
12. Eddie Cheever, U.S.A., 10.

**Super-Lightweight Title**

United Press International

**VIAREGGIO**, Italy — Roland Navarrete, the Filipino-born U.S. junior lightweight champion, won the World Boxing Council super-lightweight title Saturday by knocking out Cornelius Boza-Edwards of Uganda in the fifth round of a scheduled 15-round fight.

The race was watched by some 70,000 spectators in fine weather, boosting the weekend attendance to more than 100,000. The next race is the Italian Grand Prix at Monza, Sept. 13.

**Midwest**

This could be the testing ground for the national championship when, on Sept. 19, Notre Dame plays Michigan in Ann Arbor before 105,000 fans.

Rutgers has to rebuild after losing a rare group of good senior players. Alex Falcinelli, the place-kicker, is the strongest returning specialist for the Scarlet Knights. Army has enough talent coming back so that the Cadets can even dream of breaking even with a

Six starters return on Navy's defense, including Tim Jordan at nose guard, Steve Fehr, the place-kicker, and Eddie Meyers, the tailback, give scoring punch.

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**Baylor Retains WBC Title**

Reuters

SEOUL — Antonio Avelar of Mexico retained his World Boxing Council flyweight title here Sunday in the most destructive fashion.

He knocked out Taeuk Kim, his South Korean challenger, after one minute 42 seconds in the second round of a scheduled 15-round fight, flooring him with two wicked left hooks.

**1981 U.S. COLLEGE FOOTBALL PREVIEW**

Schedule that seems more attuned to their abilities.

Yale should repeat as Ivy League champion. After all, the Eli have Rich Diana back at tailback, and he ran for 1,074 yards last year, only the third man in Yale history to go over 1,000 yards in a season.

**South**

Everyone is rooting for Bryant to break the record. But none will hand it to him. Bryant said: "I wish everyone would forget about it. I think it is going to be hard enough."

Actually, Alabama is expected to carry

Bryant by Stagg's record during the season as the Crimson Tide is favored to replace Georgia as champion of the Southeastern Conference. There are still some lingering

problems at quarterback for Alabama, an unsettled spot in 1980 that kept the Tide from its usual lead in the SEC. Ken Coley appears to be the man for the job in Bryant's variable wishbone this fall. Linnie Patrick is the newest star runner for Alabama.

Georgia is not given much chance to repeat its undefeated season of 1980. Walker, however, can have as good a year or even better than 1980 since he will be the man with the ball most of the time. But Coach Vince Dooley's Bulldogs lost too many good defensive players from last year's team to expect another perfect record.

Mississippi State and Florida may present Bryant and Alabama with their prime road blocks to an SEC crown.

When Emory Bellard took over at Mississippi State in 1979 he put in the wishbone offense, which he invented as an assistant to Darrell Royal at Texas in the mid-1960s. John Bond is just what a wishbone coach wants for a quarterback; he runs better than he passes and he had a total offense of 1,569 yards as a freshman last season.

Pitt is expected to be back on top next year. Yet Coach Jackie Sherrill's 1981 team has such a favorable schedule that it could possibly go into the finale against Penn State undefeated without being as strong as a team as the 1980 Pitt squad. The 1980 team lost only once and finished second in both wire service polls.

Curt Warner, who leads a number of good running backs; Todd Blackledge, the quarterback, and Kenny Jackson a receiver, are some of the reasons Paterno is so optimistic. Sean Farrell, who has no peer, and Mike Munchak are the guards. The good defense suffered when Larry Kubin, an end, opted for professional football instead of a fifth year at college.

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Pittsburgh has one of the finest quarterbacks, John Fourcade. But this excellent passer broke an ankle in a softball game during the off season and may be slow starting. Tennessee will learn quickly if it has made progress because Coach Johnny Majors team opens at Georgia. The Vols blew a 16-0 lead over the Bulldogs last year in the game that started Walker to prominence.

North Carolina, one of the eight leading defensive teams in the nation when it won the Atlantic Coast Conference title in 1980, must count on the offensive early this season as the defense rebuilds with young players. Kelvin Bryant is the leader of the Tar Heels, at running back.

Pittsburgh's schedule is so difficult that the Seminoles may not be able to achieve their impressive records of the last two years. And the misconduct of some players on the team. Miami, therefore, becomes the premier independent team in the South for 1981 with Southern Mississippi right behind.

Navy continues to demand that its Midshipmen play Notre Dame and Michigan. But there may just be enough letups in the normally grueling schedule for Navy to repeat the 8-3 record of last season before its loss to Houston in the Garden State Bowl.

Dick MacPherson, a former University of Massachusetts head coach, takes over the Syracuse job in the Carrier Dome. He has Joe Morris, the latest in the long line of excellent Syracuse running backs. An attack based around Morris can be effective if the tailback, who was seriously injured in the Dome last year, does not slide into the wall again. Craig Bingham is a fine linebacker to anchor the best looking Orange defense in the country.

As a result, the notion of a championship of champions may be impossible to put together. Any field of the world's top grass runners would have to include the

four runs to lead Boston to a 7-6 triumph over Oakland before a crowd of 26,318. Lansford, who has seven hits in his last eight at bats, hit a three-run homer in the seventh inning to give the Red Sox a 7-3 lead. It was his fourth homer this season but his first in Fenway Park. Carl Yastrzemski tripled in the sixth inning and drove in a run in the seventh with a fly ball.

**Rangers 8, Brewers 5**

In Milwaukee, Buddy Bell drove in three runs to help Jon Matlack (4-6) win his first game since May 24 as Texas beat Milwaukee, 8-5.

Mario Mendoza's single opened a two-run third against Randy Lerner (4-7). Bell's single scored one of the runs. Al Oliver and Bell had two-run singles in the fourth.

**Royals 2, Blue Jays 0**

In Toronto, Hal McRae drove in all the runs as Kansas City blanked Toronto 2-0. Mike Jones (2-1) gave up six hits in seven-plus innings, then Dan Quisenberry got his 13th save.

**Indians 7, Mariners 3**

In Cleveland, Dave Rosello drove in two runs and Rick Waits (6-7) won his first game of the second season as Cleveland beat Seattle, 7-3, and pulled out of last place.

Floyd Bannister (6-6), making his first start since coming off the disabled list, lasted until the second inning, when the Indians scored four runs on a walk and five straight singles.

**Twins 7, Tigers 1**

In Bloomington, Minn., Tim Laudner hit his second two-run homer in as many games, and Pete Mackanin and John Castino homered to lead Minnesota to a 7-1 rout of Detroit. Brad Havens (1-3) allowed seven hits in eight innings to win his first game in the majors. This was Laudner's second major league game.

**Yankees 12, White Sox 2**

In Chicago, Reggie Jackson hit his first homer in more than three months as New York homered four times to crush Chicago, 12-2.

Tommy John (7-4) gave up six hits in seven innings. George Frazier pitched the eighth and Ron Davis finished. Jackson's leadoff homer in the second inning off Richard Dotson (8-5) was his first since May 25 and his seventh of the season. Last year Jackson had 41 homers.

**Orioles 4, Angels 3**

In Baltimore, Rick Dempsey hit a two-run homer off Geoff Zahn in the fifth inning, leading Baltimore to a 4-3 victory over California.

## Rookie Stolen-Base Mark

### Set by Raines as Expos Win

From Agency Dispatches

MONTREAL — Tim Raines, back in the lineup after a two-day absence because of a sore ankle, scored the winning run in the seventh inning on an error by second baseman Glenn Hubbard, enabling the Montreal Expos to defeat the Atlanta Braves, 4-3, Saturday for their fifth straight victory.

Raines, who earlier in the game had broken his second game for Chicago since being traded from the New York Yankees, shut out the Dodgers on three singles going into the eighth.

Four runs to lead Boston to a 7-6 triumph over Oakland before a crowd of 26,318. Lansford, who has seven hits in his last eight at bats, hit a three-run homer in the seventh inning to give the Red Sox a 7-3 lead. It was his fourth homer this season but his first in Fenway Park. Carl Yastrzemski tripled in the sixth inning and drove in a run in the seventh with a fly ball.

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## Language

**Words of Warning**

By William Safire

**NEW YORK** — The warning industry, always wearing a crown, reveals its character in its choice of words.

"Put Stamp Here," directs New York Telephone in that corner of the return-mail envelope that used to say, "No Postage Stamp Necessary if Mailed Within U.S." The phone men add:

"The Post Office Will Not Deliver Mail Without Postage."

Big fights occur in Washington over warnings. In 1965, Congress passed a bill requiring Safire cigarettes to be labeled: "Caution: Cigarette Smoking May Be Hazardous to Your Health." The Federal Trade Commission and the tobacco companies wrangled over: (1) "Caution" — should it be the tougher "warning"? (2) The conditional "may be" — should it be the flatly certain "is"? (3) "Hazardous" — doesn't "dangerous" sound more ominous? The FTC won; although its officials disclaim authorship of the changed warning, attributing it to nameless, faceless forces in the Congress, the wording now reads: "Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health."

The difference is semantically significant: "Hazard" is from the French *hazard*, risk; "danger" is rooted in the Latin *dominum*, from the absolute power of a lord and master to do harm. With hazard, at least you have a chance.

The federal government has faintly intelligible standards to go by in the language of warnings. Among toxicants like caustic soda (we used to call it lye, but Washington attorneys hate that word) a 1 percent to 2 percent solution for cleaning whitewall tires must say, "Warning: Irritating to skin and eyes." A 2 percent to 10 percent solution of sodium hydroxide, because it is corrosive at that level, requires the word "Danger" and "Harmful if Swallowed" or even "May Be Fatal if Swallowed." A weak oven cleaner, with 1 percent sodium hydroxide, says, "Danger, May Cause Burns," but a strong one, near 10 percent, must say,

"May Cause Severe Burns." Over 10 percent, it has to say, "Poison" and "Causes Severe Burns."

Though deregulation is rampant in Washington these days, the warning business remains in good shape. Product-safety types are looking for ways to get around language, the way international traffic signers do, with easily understandable symbols: an eye spouting tears, a gravestone with "I.P." — even back to the old skull and crossbones, where warning labels all began.

**THE BIG NEWS** in Washington this summer was the triumph of the Reagan tax cut, and the hot political figure of speech was "bowl weevil."

A bowl is the seed pod of a plant; a bowl weevil is a sharp-beaked beetle whose larva destroys cotton plants.

During the Eisenhower administration, a group of conservative Democrats led first by Howard Smith of Virginia and later by Omer Burleson of Texas, took the name of the familiar bug and applied it to themselves. "We were men of like minds," recalls Burleson. (Not to be confused by teenagers with "men of like, minds.")

When the Reagans recently needed votes in the Democratic-controlled House, this generation's conservative Democrats were not found wanting. One of the new men at the balance of power is Charles W. Stenholm, D-Texas, who called yester-year's use by Dixiecrats and put the bowl-weevil label on today's conservative Democrats.

He told a Lions Club in Roscoe, Tex., that the moniker was suitable because his group intends to stick around and keep the pressure on the leadership: "People have been trying to eradicate bowl weevils for a long, long time."

Without success. The persistence of the hardy critter led some planters to diversify their crops, turning to peanuts along with the cotton.

Not to be metaphorically outdone, a group of two dozen Frost Belt Republicans (the Frost Belt is where the sun never shines) — mainly from cities, and of the moderate (formerly "liberal") persuasion — came together and called themselves the "Gypsy Moths." In Washington, insects are "in."

New York Times Service

By William Tuohy  
*Los Angeles Times Service*

**STOCKHOLM** — In a graceful, 18th-century room overlooking Stockholm's oldest square, members of the Swedish Academy gather every Wednesday to discuss routine academy affairs, then repair to a charming old restaurant known as Den Glycken Frede — The Golden Teardrop.

There, over coffee, cigars and brandy, the conversation invariably turns to the academy's most compelling task: awarding the Nobel Prize for Literature.

For under the terms of Alfred Nobel's will, the 18 members of the Swedish Academy have the responsibility of choosing the recipient of the world's most prestigious literary award.

And their choices have often been controversial. Literary giants Leo Tolstoy, Mark Twain, James Joyce, Joseph Conrad, Thomas Hardy, Franz Kafka, Marcel Proust and August Strindberg have been passed over.

Conversely, in recent years the academy chose such relatively little-known writers as Yasunari Kawabata of Japan, in 1968; Eyring Johnson and Harry Martinson of Sweden, in 1974; Vicente Alfonso de Spain, in 1977, and Odysseus Elytis of Greece, in 1979.

"A long list could be made of persons who might have been deserving of the Nobel prize but did not receive it," the Swedish literary commentator Artur Almquist said. "Some have been candidates but were rejected: Paul Valéry, Stefan George, Maxim Gorky and Benedetto Croce. Many have not received the prize for the simple reason that they were not nominated. These include Rainer Maria Rilke, who was not really appreciated until after his death."

**'Should Be Abolished'** One leading critic of the prizes, Olof Lagercrantz of Stockholm, said bluntly, "The whole idea of trying to choose the best writer is ridiculous. The prizes should be abolished."

But in defense of the prizes, Lars Gyllensten, secretary of the Swedish Academy and a member of the awards committee, declared:

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Alfred Nobel started it all.

Tolstoy had not been nominated that year, and he failed to win in subsequent years as well.

Part of the problem for the Swedish Academy has been the terms of the will of Nobel, the inventor of dynamite. Nobel specified that the prize should be given to "the person who shall have produced in the field of literature the most outstanding work of an idealistic tendency."

The idea of a sort of uplifting idealism is thought to be the reason that such pessimistic observers of human nature as Henrik Ibsen and August Strindberg were never chosen. Similarly, Thomas Mann was passed over in favor of the more upbeat John Galsworthy.

In many instances it has not been clear whether the academy would select a writer with a recently published major work or one whose main body of work had been accomplished years before.

After a year-long selection process, the six-member Nobel committee narrows the entries down to a list of five, arranged according to what the committee thinks are the strongest contenders.

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Over the years, most of the candidates have been authors — novelists, playwrights, poets — but three have been philosophers: Henri Bergson, whose award came in 1927; Bertrand Russell, 1950, and Jean-Paul Sartre, 1964. There have also been two historians, Theodor Mommsen, 1902, and Winston Churchill, in 1953. France has the most prize winners — 11 — followed by England, Germany, and the United States.

## France Leads in Winners

The U.S. winners are Sinclair Lewis, 1930; Eugene O'Neill, 1936; Pearl Buck, 1938; William Faulkner, 1949; Hemingway, 1954; John Steinbeck, 1962, and Saul Bellow, 1976. The poet T.S. Eliot, American-born but a naturalized Briton, won in 1948.

Only Sartre has voluntarily refused the literature prize, in 1964, although the Russian Boris Pasternak was compelled to turn it down by the Soviet government in 1958.

Each year, the academy solicits nominations from about 600 people, members of university faculties, learned societies and literary associations — even Nobel laureates. Self-nominations are ruled out.

"We have about 150 nominations to consider this year," Gyllensten said. "Most are repeat. Some are nominated after year.

## Field Staff

The academy employs a sizable staff to investigate the works of the nominated authors, consult with literary specialists in their particular area or language, and provide translation from those languages not spoken by members of the academy.

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**PEOPLE: Pope Is Moved by Showing Of Film About His Life**

A. Kestiger, Robert S. Straus, the special presidential envoy, and Edward Bennett Williams, the attorney who is president of the Washington Redskins football team and owner of the Baltimore Orioles baseball team.

He's only 13 years old, but Patrick Bessert is a mathematics whiz who can solve the Rubik's cube puzzle in 35 seconds. As a result, he has become a best-selling author. Patrick, who lives in London, wrote a four-page leaflet telling how to solve the puzzle, and sold it to friends. Then Tony Lacey, proprietor of Puffin Books, offered the youth a contract to expand the leaflet into a slim volume called "Can You Do the Cube," and in less than three weeks it has sold 500,000 copies.

Three months ago, CBS newsman Morley Safer publicly deprecated the culture and cuisine of Buffalo, N.Y. But after a visit to the city, he's singing another tune. "I wrote in my commentary about the mythology, and now I've seen the reality," the anchorman of "60 Minutes" said. Safer, whose 12-hour visit to Buffalo was sponsored by the Chamber of Commerce, said he planned to do another Buffalo commentary. On his June 8 "Morning" show, he spoke of the "chemical cuisine . . . greasy, impenetrable eggs, burnt bacon and slow service." One Buffalo resident, Fran Banks, said she hoped no one would mistreat Safer during his tour, which included stops in two restaurants.

An American couple recited their marriage vows on a watchtower of China's Great Wall before a Chinese official who wished them happiness as enduring as the ancient structure. After the ceremony, Maya Hahn, 31, of Milwaukee, and Air Force Capt. James Grawe, 28, of Colorado Springs, drove to the Summer Palace in Beijing, where they signed the wedding certificate, bowed three times in a traditional sign of respect and sat down to a banquet in the Listening-to-the-Orioles Pavilion. She teaches photography and art at Clark Air Base in the Philippines; he's a pilot at Clark. The couple decided in April to be married on the Great Wall, the bride said. "Since marriage is to be monumental, we would have a monumental place to start it."

**The Nobel Literary Lunch Circuit**

By William Tuohy

*Los Angeles Times Service*

THOUGH deregulation is rampant in Washington these days, the warning business remains in good shape. Product-safety types are looking for ways to get around language, the way international traffic signers do, with easily understandable symbols: an eye spouting tears, a gravestone with "I.P." — even back to the old skull and crossbones, where warning labels all began.

There, over coffee, cigars and brandy, the conversation invariably turns to the academy's most compelling task: awarding the Nobel Prize for Literature.

For under the terms of Alfred Nobel's will, the 18 members of the Swedish Academy have the responsibility of choosing the recipient of the world's most prestigious literary award.

And their choices have often been controversial. Literary giants Leo Tolstoy, Mark Twain, James Joyce, Joseph Conrad, Thomas Hardy, Franz Kafka, Marcel Proust and August Strindberg have been passed over.

Conversely, in recent years the academy chose such relatively little-known writers as Yasunari Kawabata of Japan, in 1968; Eyring Johnson and Harry Martinson of Sweden, in 1974; Vicente Alfonso de Spain, in 1977, and Odysseus Elytis of Greece, in 1979.

"A long list could be made of persons who might have been deserving of the Nobel prize but did not receive it," the Swedish literary commentator Artur Almquist said. "Some have been candidates but were rejected: Paul Valéry, Stefan George, Maxim Gorky and Benedetto Croce. Many have not received the prize for the simple reason that they were not nominated. These include Rainer Maria Rilke, who was not really appreciated until after his death."

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